

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

JEFFREY WATTS, derivatively on behalf of  
OCUGEN, INC.,

Plaintiff,

vs.

SHANKAR MUSUNURI, SANJAY  
SUBRAMANIAN, JESSICA CRESPO, QUAN  
VU, MICHAEL BREININGER, RAMESH  
KUMAR, JUNGE ZHANG, UDAY  
KOMPELLA, MARNA C. WHITTINGTON,  
KRISTEN CASTILLO, PRABHAVATHI  
FERNANDES, and MANISH POTTI,

Defendants,

and

OCUGEN, INC.,

Nominal Defendant.

**Case No.:** 2:24-cv-02234

**DEMAND FOR JURY TRIAL**

**VERIFIED SHAREHOLDER DERIVATIVE COMPLAINT**

**INTRODUCTION**

Plaintiff Jeffrey Watts (“Plaintiff”), by Plaintiff’s undersigned attorneys, derivatively and on behalf of Nominal Defendant Ocugen, Inc. (“Ocugen” or the “Company”), files this Verified Shareholder Derivative Complaint against Shankar Musunuri (“Musunuri”), Sanjay Subramanian (“Subramanian”), Jessica Crespo (“Crespo”), Quan Vu (“Vu”), Michael Breininger (“Breininger”), Ramesh Kumar (“Kumar”), Junge Zhang (“Zhang”), Uday Kompella (“Kompella”), Marna C. Whittington (“Whittington”), Kristen Castillo (“Castillo”), Prabhavathi Fernandes (“Fernandes”), and Manish Potti (“Potti”) (collectively, the “Individual Defendants,” and together with Ocugen, the “Defendants”) for breaches of their fiduciary duties as directors

and/or officers of Ocugen, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, for violations of Section 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and for contribution under Sections 10(b) and 21D of the Exchange Act. As for Plaintiff’s complaint against the Individual Defendants, Plaintiff alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by the Defendants, United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Ocugen, legal filings, news reports, securities analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### **NATURE OF THE ACTION**

1. This is a shareholder derivative action that seeks to remedy wrongdoing committed by Ocugen’s directors and officers from May 8, 2020 to April 1, 2024, both dates inclusive (the “Relevant Period”).

2. Founded in 2013, Ocugen is a Delaware-incorporated biotechnology company headquartered in Malvern, Pennsylvania. Ocugen operates as a clinical stage biopharmaceutical company that is focused on “discovering, developing, and commercializing a pipeline of innovative therapies that address rare and underserved eye diseases.” The Company focuses on novel gene and cell therapies and vaccines that improve the health for patients across the world. The Company purports to help identify and develop science to bring something “unique” to the healthcare industry.

3. Ocugen's development projects are listed out in the Company's technology pipeline. The pipeline includes: (1) a modifier gene therapy platform; (2) a novel biologic therapy for retinal diseases; (3) a regenerative medicine cell therapy platform; and (4) an inhaled mucosal vaccine platform. The Company's product candidates include gene therapies, biologics, cell therapies (regenerative medicine), and vaccines. Ocugen purports that the Company's product candidates have the potential to treat serious conditions and prevent the spread of respiratory diseases such as the flu and COVID-19.

4. The Company strategizes that the expansion and exploration of partnerships with key collaborators will help maximize patient access, global reach, and the value of Ocugen's products to candidates. The collaboration arrangements are typically with pharmaceutical companies or other biotechnology institutions. For example, Ocugen is in an agreement with CanSinoBIO for the development and commercialization of the Company's modifier gene therapy platform.

5. On May 8, 2020, the Company filed with the SEC its quarterly report on Form 10-Q for the period ending March 31, 2020 (the "1Q 2020 10-Q"). The 1Q 2020 10-Q contained materially false and misleading statements at the time it was made. Specifically, because Ocugen lacked adequate internal controls, the Company materially misstated its financial results for the first quarter of 2020 regarding the following line item captions: collaborative arrangement revenue, research and development expenses, other income (expense), net and Accrued expenses and other current liabilities. The Individual Defendants continued to misrepresent the financial results for all quarterly and annual reports for the duration of the Relevant Period.

6. The truth would not emerge until years later, on April 1, 2024, when the Company filed with the SEC a current report on Form 8-K (the "Restatement Announcement"). The

Restatement Announcement revealed and identified errors that “relate to the Company’s accounting for the estimated costs in one of its collaboration arrangements.” Specifically, the Restatement Announcement revealed that “the identified errors will result in a restatement of the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.”

7. In connection with the Restatement Announcement, Ocugen filed with the SEC a Notification of Late Filing on Form 12b-25 (the “Late Filing Notification”). The Late Filing Notification stated that Ocugen required additional time to prepare and review its financial statements for the Company’s upcoming annual report on Form 10-K (“2023 Form 10-K”) for the fiscal year ended December 31, 2023 (the “2023 Fiscal Year”). As a result, Ocugen missed the required SEC filing deadline of April 1, 2024.

8. On this news, the Company’s stock price declined \$0.16 per share, or 10.38%, from a closing price at \$1.54 per share on April 1, 2024, to \$1.38 per share at the close of trading on April 2, 2024.

9. During the Relevant Period, the Individual Defendants breached their fiduciary duties by personally making and/or causing the Company to make to the investing public a series of materially false and misleading statements regarding the Company’s business, operations, and prospects. Specifically, the Individual Defendants willfully or recklessly made and/or caused the Company to make false and misleading statements to the investing public that failed to disclose, *inter alia*, that: (1) the Company’s financial statements from May 8, 2020 to April 1, 2024, including important financial metrics such as collaborative arrangement revenue, research and development expenses, other income (expense), net and accrued expenses and other current

liabilities, were materially false and misleading; (2) the Company did not have adequate internal controls over financial reporting; (3) as a result, the Company would have to restate its financial statements, at great cost to the Company, for the entire fiscal year ended December 31, 2022 (the “2022 Fiscal Year”), for each of the first three quarters of the 2023 Fiscal Year, and for each of the quarters of the 2022 Fiscal Year. As a result, Ocugen’s statements were materially false and misleading at all relevant times.

10. Additionally, Defendants Zhang, Castillo, Kompella, Musunuri, Subramanian, Fernande, Ramesh, and Potti breached their fiduciary duties by engaging in lucrative insider sales of Company common stock while the share price was artificially inflated because of their breaches of their fiduciary duties, resulting in aggregate personal proceeds of approximately \$38 million.

11. In light of the Individual Defendants’ misconduct—which has subjected the Company and various of its former and current officers and directors to a federal securities fraud class action lawsuit pending in the United States District Court for the Eastern District of Pennsylvania (the “Securities Class Action”), the need to undertake internal investigations, the need to implement adequate internal controls, losses from the waste of corporate assets, and losses due to the unjust enrichment of the Individual Defendants who were improperly overcompensated by the Company and/or who benefitted from the wrongdoing alleged herein—the Company will have to expend many millions of dollars. The Company has been substantially damaged as a result of the Individual Defendants’ knowing or highly reckless breaches of fiduciary duty and other misconduct.

12. In light of the breaches of fiduciary duty engaged in by the Individual Defendants, most of whom are the Company’s current directors, of the collective engagement in fraud and misconduct by the Company’s directors, of the substantial likelihood of the directors’ liability in

this derivative action, of the officers' and directors' liability in the Securities Class Action, and of their not being disinterested and/or independent directors, a majority of the Company's Board of Directors (the "Board") cannot consider a demand to commence litigation against themselves on behalf of the Company with the requisite level of disinterestedness and independence.

### **JURISDICTION AND VENUE**

13. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 because Plaintiff's claims raise a federal question under Section 14(a) of the Exchange Act, 15 U.S.C. § 78n(a)(1), Rule 14a-9 of the Exchange Act, 17 C.F.R. § 240.14a-9, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Section 21D of the Exchange Act (15 U.S.C. § 78u-4(f)). Plaintiff's claims also raise a federal question pertaining to the claims made in the Securities Class Action based on violations of the Exchange Act.

14. This Court has supplemental jurisdiction over Plaintiff's state law claims pursuant to 28 U.S.C. § 1367(a).

15. This derivative action is not a collusive action to confer jurisdiction on a court of the United States that it would not otherwise have.

16. Venue is proper in this District because the alleged misstatements and wrongs complained of herein entered this District, the Defendants have conducted business in this District, and Defendants' actions have had an effect in this District.

### **PARTIES**

#### **Plaintiff**

17. Plaintiff is a current shareholder of Ocugen. Plaintiff has continuously held Ocugen common stock since purchasing the stock on January 11, 2021.

#### **Nominal Defendant Ocugen**

18. Ocugen is a Delaware corporation with principal executive offices at 11 Great Valley Parkway, Malvern, PA, 19355. Ocugen's common stock trades on the NASDAQ Stock Market ("NASDAQ") under the ticker symbol "OCGN."

**Defendant Musunuri**

19. Defendant Musunuri co-founded the Company in 2013. Defendant Musunuri has served as the Chief Executive Officer ("CEO") and Chairman of the Board since September 2019. According to the proxy statement filed on Schedule 14A with the SEC on May 17, 2024 (the "2024 Proxy Statement"), as of May 10, 2024, Defendant Musunuri beneficially owned 6,405,657 shares of Company common stock. Given that the price per share of the Company's common stock at the close of trading on April 13, 2023 was \$1.59, Defendant Musunuri beneficially owned approximately \$10.1 million worth of Ocugen stock as of that date.

20. For the 2023 Fiscal Year, Defendant Musunuri received \$4,535,231 in total compensation from the Company. This included \$757,000 in salary, \$102,544 in bonus, \$1,844,263, in stock awards, \$1,826,722 in option awards, and \$3,802 in all other compensation. For the 2022 Fiscal Year, Defendant Musunuri received \$7,662,810 in total compensation from the Company. This included \$715,000 in salary, \$474,260 in bonus, \$1,635,669, in stock awards, \$4,825,681 in option awards, and \$12,200 in all other compensation. For the fiscal year ended December 31, 2021 (the "2021 Fiscal Year"), Defendant Musunuri received \$8,141,351 in total compensation from the Company. This included \$541,300 in salary, \$292,302 in bonus, \$7,296,149 in option awards, and \$11,600 in all other compensation. For the fiscal year ended December 31, 2020 (the "2020 Fiscal Year"), Defendant Musunuri received \$1,552,178 in total compensation from the Company. This included \$500,000 in salary, \$269,273 in bonus, \$771,505 in option awards, and \$11,400 in all other compensation.

21. During the Relevant Period, while the Company's stock price was artificially

inflated and before the scheme was exposed, Defendant Musunuri made the following sales of Company common stock:

<b>Date</b>	<b>Number of Shares</b>	<b>Avg. Price/Share</b>	<b>Proceeds</b>
May 3, 2021	195,809	\$14.24	\$2,788,320
June 7, 2021	7,758	\$10.94	\$84,872
June 8, 2021	22,800	\$10.98	\$250,344
September 15, 2021	125,000	\$7.52	\$940,000
October 15, 2021	125,000	\$49.80	\$1,225,000
November 1, 2021	115,367	\$14.15	\$1,632,4431
November 16, 2021	115,000	\$8.04	\$324,559
December 16, 2021	115,000	\$5.22	\$600,300
February 14, 2022	90,000	\$3.74	\$336,600
March 16, 2022	81,823	\$2.65	\$216,830
May 13, 2022	125,000	\$1.92	\$240,000
July 14, 2022	150,000	\$2.72	\$408,000
October 14, 2022	100,000	\$1.66	\$166,000
December 16, 2022	95,809	\$1.43	\$137,006

22. Thus, in total, before the fraud was exposed, Defendant Musunuri sold 1,464,366 shares of Company stock on inside information, for which he received approximately \$24,042,262 in proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

23. The 2024 Proxy Statement stated the following about Defendant Musunuri:

**Career Highlights**

- Chairman of the Board and CEO since Ocugen went public in September 2019.
- Co-Founder and Chairman of Ocugen since its founding in September 2013 and has additionally served as CEO since May 2015.
- Founder, President, CEO, and a board member of Nuron Biotech, Inc. from April 2010 to May 2013.



- More than 30 years of industry experience encompassing research and development, operations, and business management including commercial in biotechnology companies as well as large pharmaceutical companies.
- Nearly fifteen years at Pfizer Inc. (“Pfizer”) where he held various positions of increasing leadership and responsibility.

#### **Memberships**

- Board of Advisors at Duke University’s Duke Innovation and Entrepreneurship.
- Board member of Musunuri Family Foundation, a non-profit that provides college scholarships to high school students.

Dr. Musunuri obtained his Bachelor of Pharmacy from the Birla Institute of Technology and Science, Pilani, a Master of Business Administration from Duke University’s Fuqua School of Business, and a Ph.D. in Pharmaceutical Sciences from the University of Connecticut.

*Dr. Musunuri’s perspective and history as our Co-Founder and CEO, as well as his executive, operational, and commercial expertise led the Board’s decision to nominate Dr. Musunuri for reelection to the Board.*

#### **Defendant Subramanian**

24. Defendant Subramanian served as Ocugen’s Chief Financial Officer (“CFO”), Head of Corporate Development, and Corporate Secretary from October 2019 until his resignation on March 18, 2022. According to the proxy statement the Company filed on Schedule 14A with the SEC on April 28, 2022 (the “2022 Proxy Statement”), as of April 1, 2022, Defendant Subramanian beneficially owned 496,494 shares of Company common stock. Given that the price per share of the Company’s common stock at the close of trading on April 1, 2022, was \$3.30, Defendant Subramanian owned approximately \$1.6 million worth of Ocugen stock as of that date.

25. For the 2021 Fiscal Year, Defendant Subramanian received \$2,602,661 in total compensation from the Company. This included \$385,000 in salary, \$162,624 in bonus, \$2,043,437 in stock option awards, and \$11,600 in all other compensation. For the 2020 Fiscal Year, Defendant Subramanian received \$661,790 in total compensation from the Company. This

included \$365,400 in salary, \$134,791 in bonus, \$150,637 in stock option awards, and \$10,962 in all other compensation.

26. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Subramanian made the following sales of Company common stock:

<b>Date</b>	<b>Number of Shares</b>	<b>Avg. Price/Share</b>	<b>Proceeds</b>
April 29, 2021	7,990	\$10.98	\$87,730
May 14, 2021	31,000	\$8.18	\$253,673
June 15, 2021	31,000	\$7.00	\$217,000
July 15, 2021	31,086	\$6.70	\$217,000
August 16, 2021	30,000	\$7.22	\$216,600
October 15, 2021	7,990	\$9.96	\$79,580
October 26, 2021	10,000	\$11.07	\$110,700

Thus, in total, before the fraud was exposed, Defendant Subramanian sold 149,066 shares of Company stock on inside information, for which he received approximately \$1,182,283 in proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

#### **Defendant Crespo**

27. Defendant Crespo served as the Company's Chief Accounting Officer ("CAO") and Senior Vice President, Finance from March 2022 until she resigned from her position, effective March 2023. According to the proxy statement the Company filed on Schedule 14A with the SEC on April 20, 2023 (the "2023 Proxy Statement"), as of April 13, 2023, Defendant Crespo beneficially owned 259,957 shares of Company common stock. Given that the price per share of the Company's common stock at the close of trading on April 13, 2023, was \$0.85, Defendant Crespo beneficially owned approximately \$220,963 worth of Ocugen stock as of that date.

28. For the 2022 Fiscal Year, Defendant Crespo received \$1,185,142 in total compensation from the Company. This included \$358,854 in salary, \$146,025 in bonus, \$167,937 in stock awards, \$500,126 in option awards, and \$12,200 in all other compensation.

**Defendant Vu**

29. Defendant Vu served as the Company's CFO and Chief Business Officer from February 2023 until his resignation in August 2023.

30. The 2023 Proxy Statement stated the following about Defendant Vu:

**Quan Anh Vu**, 51, has served as our Chief Business Officer (CBO) since February 2023 and as our CFO/CBO since March 2023. Mr. Vu brings more than 20 years of "hands-on" healthcare business executive experience with an emphasis on corporate & business development, strategy, finance, and operations. He possesses a demonstrated history of closing value-additive business transactions and consummating billions of dollars in capital raises and mergers and acquisitions (M&A) deals. Before joining Ocugen, he served as COO/CBO for 180 Life Sciences Corp., responsible for its corporate strategy, operational efficiency, communications efforts, business development initiatives, and capital markets access. Prior to 180 Life Sciences Corp., he held leadership roles of increasing responsibility at Opiant Pharmaceuticals, Inc., Impax Laboratories, LLC, Anthem, and Amgen Inc. Earlier in his career, he worked in the healthcare corporate finance and M&A departments at bulge-bracket investment banks, including Morgan Stanley and Goldman Sachs. Mr. Vu obtained his Bachelor of Arts in Economics from the University of California, Los Angeles, graduating summa cum laude with College Honors and Economics Departmental Honors. He is also a Certified Treasury Professional (inactive).

**Defendant Breininger**

31. Defendant Breininger has served as the Company's Corporate Controller since August 2023 and Interim CAO and Principal Financial Officer since September 2023.

32. For the 2023 Fiscal Year, Defendant Breininger received \$226,935 in total compensation from the Company. This included \$226,935 in all other compensation.

33. The 2024 Proxy Statement stated the following about Defendant Breininger:

**Michael Breininger, CPA, MBA, LSSBB**, 41, has served as our Controller since August 2023 and our Chief Accounting Officer since September 2023.

Mr. Breininger is currently serving in his role pursuant to a twelve-month agreement between the Company and CFGI. Mr. Breininger is a Managing Director with CFGI, the nation's largest non-audit accounting advisory firm, where he assists clients across various industries with matters such as, but not limited to, SEC compliance, SOX compliance, internal controls, audit preparation, technical accounting, financial reporting, project management, and many other matters. Prior to joining CFGI, Mr. Breininger was with PricewaterhouseCoopers, LLP, where he managed audit and assurance services for large, global companies. Mr. Breininger is a Certified Public Accountant within Pennsylvania as well as a Lean Six Sigma Black Belt. Michael holds a Bachelor of Science in Accounting from West Chester University and a Master of Business Administration, Finance from Saint Joseph's University. He is a member of the American Institute of Certified Public Accountants ("AICPA") and the Pennsylvania Institute of Certified Public Accountants ("PICPA").

### **Defendant Kumar**

34. Defendant Kumar has served as a Company director since September 2019. As a member of the Board, Defendant Kumar also serves as Chair of the Audit Committee. According to the 2024 Proxy Statement, as of May 10, 2024, Defendant Kumar beneficially owned 396,409 shares of Company common stock. Given that the price per share of the Company's common stock at the close of trading on April 13, 2023 was \$1.59, Defendant Kumar beneficially owned approximately \$630,290 worth of Ocugen stock as of that date.

35. For the 2023 Fiscal Year, Defendant Kumar received \$144,013 in total compensation from the Company. This included \$52,609 in fees earned or paid in cash, \$42,125 in stock option awards, and \$49,279 in all other compensation. For the 2022 Fiscal Year, Defendant Kumar received \$347,279 in total compensation from the Company. This included \$62,184 in fees earned or paid in cash and \$285,095 in stock option awards. For the 2021 Fiscal Year, Defendant Kumar received \$316,981 in total compensation from the Company. This included \$61,000 in fees earned or paid in cash and \$255,981 in stock option awards. For the 2020 Fiscal Year, Defendant Kumar received \$88,578 in total compensation from the Company. This included \$61,000 in fees earned or paid in cash and \$27,578 in option awards.

36. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Kumar made the following sales of Company common stock:

<b>Date</b>	<b>Number of Shares</b>	<b>Avg. Price/Share</b>	<b>Proceeds</b>
April 19, 2021	7,500	\$5.33	\$39,975
July 19, 2021	7,500	\$6.40	\$48,000
October 18, 2021	7,500	\$8.13	\$60,975
January 18, 2022	7,500	\$4.07	\$30,525
April 18, 2022	7,500	\$2.83	\$21,225
October 6, 2022	4,500	\$1.83	\$8,235

Thus, in total, before the fraud was exposed, Defendant Kumar sold 42,000 shares of Company stock on inside information, for which he received approximately \$208,935 in proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

37. The 2024 Proxy Statement stated the following about Defendant Kumar:

Ramesh Kumar, Ph. D. currently serves as a Class I director of our Board with a term expiring at the Annual Meeting. Dr. Kumar's service as a member of our Board will end effective as of the date of the Annual Meeting and he is not standing for re-election. After careful consideration, we have elected to reduce the size of our Board from seven to six directors, effective as of the date of the Annual Meeting.

**Defendant Zhang**

38. Defendant Zhang has served as a Company director since September 2019. As a member of the Board, Defendant Zhang also serves as a member of the Nominating and Corporate Governance Committee. According to the 2024 Proxy Statement, as of May 10, 2024, Defendant Zhang beneficially owned 1,523,091 shares of Company common stock. Given that the price per share of the Company's common stock at the close of trading on April 13, 2023, was \$1.59,

Defendant Zhang beneficially owned approximately \$2.4 million worth of Ocugen stock as of that date.

39. For the 2023 Fiscal Year, Defendant Zhang received \$87,125 in total compensation from the Company. This included \$45,000 in fees earned or paid in cash and \$42,125 in stock option awards. For the 2022 Fiscal Year, Defendant Zhang received \$335,555 in total compensation from the Company. This included \$50,460 in fees earned or paid in cash and \$285,095 in stock option awards. For the 2021 Fiscal Year, Defendant Zhang received \$310,233 in total compensation from the Company. This included \$54,252 in fees earned or paid in cash and \$255,981 in stock option awards. For the 2020 Fiscal Year, Defendant Zhang received \$81,830 in total compensation from the Company. This included \$54,252 in fees earned or paid in cash and \$27,578 in option awards.

40. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Zhang made the following sales of Company common stock:

<b>Date</b>	<b>Number of Shares</b>	<b>Avg. Price/Share</b>	<b>Proceeds</b>
November 2, 2021	149,700	\$15.75	\$2,357,775
November 3, 2021	150,300	\$17.32	\$2,603,196

Thus, in total, before the fraud was exposed, Defendant Zhang sold 300,000 shares of Company stock on inside information, for which he received approximately \$4.9 million in proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

41. The 2024 Proxy Statement stated the following about Defendant Zhang:

**Career Highlights**

- Co-Founder and Chairman of Biopeptek Pharmaceuticals LLC (“Biopeptek”), a custom peptide manufacturing company, since its founding in October 2011.
- Co-Founder and CEO of Mainline Biosciences Inc., a drug discovery and development company, and a Co-Founder and Chairman of Mainline Scientific LLC, a scientific instrument company, since 2015 and 2017, respectively.
- Prior to co-founding Biopeptek, Dr. Zhang was with the Janssen Pharmaceutical division of Johnson & Johnson from October 2002 to April 2011. Before joining Johnson & Johnson, Dr. Zhang was a Senior Chemist at Eisai Co., Ltd. USA from December 1997 to October 2002.

Dr. Zhang earned a Ph.D. in Analytical Chemistry from Drexel University, a Master of Science in Chemistry from the University of Louisiana, and a Bachelor of Science in Material Science from Wuhan University of Technology in China.

*Dr. Zhang’s extensive senior management experience in the pharmaceutical industry led the Board’s decision to nominate Dr. Zhang for reelection to the Board.*

#### **Defendant Kompella**

42. Defendant Kompella co-founded the Company in 2013. Defendant Kompella has served as a Company director since September 2019. As a member of the Board, Defendant Kompella also serves as a member of the Nominating and Corporate Governance Committee. According to the 2024 Proxy Statement, as of May 10, 2024, Defendant Kompella beneficially owned 1,111,353 shares of Company common stock. Given that the price per share of the Company’s common stock at the close of trading on April 13, 2023, was \$1.59, Defendant Kompella beneficially owned approximately \$1.7 million worth of Ocugen stock as of that date.

43. For the 2023 Fiscal Year, Defendant Kompella received \$102,125 in total compensation from the Company. This included \$60,000 in fees earned or paid in cash and \$42,125 in stock option awards. For the 2022 Fiscal Year, Defendant Kompella received \$341,819 in total compensation from the Company. This included \$56,724 in fees earned or paid in cash and

\$285,095 in stock option awards. For the 2021 Fiscal Year, Defendant Kompella received \$299,981 in total compensation from the Company. This included \$44,000 in fees earned or paid in cash and \$255,981 in stock option awards. For the 2020 Fiscal Year, Defendant Kompella received \$72,343 in total compensation from the Company. This included \$44,765 in fees earned or paid in cash and \$27,578 in option awards.

44. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Kompella made the following sales of Company common stock:

<b>Date</b>	<b>Number of Shares</b>	<b>Avg. Price/Share</b>	<b>Proceeds</b>
April 30, 2021	20,000	\$11.56	\$231,200
May 3, 2021	50,000	\$15.01	\$750,500
June 25, 2021	10,000	\$8.13	\$81,350
July 30, 2021	10,000	\$6.81	\$68,070
October 18, 2021	200,000	\$8.41	\$1,682,000
October 20, 2021	1,731	\$9.02	\$15,613
October 21, 2021	1,898	\$9.01	\$17,100
October 25, 2021	46,371	\$9.08	\$421,048
October 26, 2021	25,000	\$12.05	\$301,205
November 1, 2021	25,000	\$14.05	\$351,250
November 2, 2021	25,000	\$16.01	\$400,250

Thus, in total, before the fraud was exposed, Defendant Kompella sold 415,000 shares of Company stock on inside information, for which he received approximately \$4.3 million in proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

45. The 2024 Proxy Statement stated the following about Defendant Kompella:

**Career Highlights**



- Ocugen Co-founder since September 2013.
- Professor of Pharmaceutical Sciences, Ophthalmology, and Bioengineering at University of Colorado-Anschutz Medical Campus since March 2008.

#### **Memberships**

- Fellow of the American Association of Pharmaceutical Scientists (“AAPS”) and the Association for Research in Vision and Ophthalmology, Inc. (“ARVO”).
- Editor-in-Chief for the journal Expert Opinion on Drug Delivery.
- Editor for the journals Pharmaceutical Research and the Journal of Ocular Pharmacology and Therapeutics.

Dr. Kompella obtained his undergraduate degree from the Birla Institute of Technology and Science, a master’s degree in Pharmaceutical Engineering from Jadavpur University and a Ph.D. in Pharmaceutical Sciences from the University of Southern California.

*Our Board believes Dr. Kompella’s deep experience with our business as a Co-Founder of Ocugen and his academic experience in pharmaceutical sciences and ophthalmology provide him with the qualifications and skills to serve on our Board.*

#### **Defendant Whittington**

46. Defendant Whittington has served as a Company director since March 2022. As a member of the Board, she also serves as the Chair of the Audit Committee and is a member of the Compensation Committee. According to the 2024 Proxy Statement, as of May 10, 2024, Defendant Whittington beneficially owned 333,083 shares of Company common stock. Given that the price per share of the Company’s common stock at the close of trading on April 13, 2023, was \$1.59, Defendant Whittington beneficially owned approximately \$529,601 million worth of Ocugen stock as of that date.

47. For the 2023 Fiscal Year, Defendant Whittington received \$103,321 in total compensation from the Company. This included \$61,196 in fees earned or paid in cash and \$42,125 in stock option awards.

48. The 2024 Proxy Statement stated the following about Defendant Whittington:

**Career Highlights**

- CEO of Allianz Global Investors Capital from 2001 until her retirement in January 2012.
- COO of Allianz Global Investors, the parent company of Allianz Global Investors Capital from 2002 to 2011.
- Managing Director and COO of Morgan Stanley Investment Management from 1996 to 2001.
- Previously served as Executive Vice President and Chief Financial Officer of the University of Pennsylvania.
- Previously served as the Secretary of Finance for the State of Delaware.

**Memberships**

- A director of Phillips 66 and Oaktree Capital Group, LLC.
- Served on the board of Macy's Inc. from 1993 until May 2022.
- Dr. Whittington holds a Master and Ph.D. in Quantitative Methods from the University of Pittsburgh and a Bachelor of Arts in Mathematics from the University of Delaware.

*Our Board believes Dr. Whittington's extensive leadership and public company experience provide her with the qualifications and skills to serve on our Board.*

**Defendant Castillo**

49. Defendant Castillo has served as a Company director since April 2020. As a member of the Board, she also serves as Chair of the Nominating and Corporate Governance Committee and as a member of the Audit Committee, Compensation Committee, and Science and Technology Committee. According to the 2024 Proxy Statement, as of May 10, 2024, Defendant Castillo beneficially owned 453,909 shares of Company common stock. Given that the price per share of the Company's common stock at the close of trading on May 10, 2024, was \$1.59, Defendant Castillo beneficially owned approximately \$721,715 million worth of Ocugen stock as of that date.

50. For the 2023 Fiscal Year, Defendant Castillo received \$110,821 in total compensation from the Company. This included \$68,696 in fees earned or paid in cash and \$42,125 in stock option awards. For the 2022 Fiscal Year, Defendant Castillo received \$348,182 in total compensation from the Company. This included \$63,087 in fees earned or paid in cash and \$285,095 in stock option awards. For the 2021 Fiscal Year, Defendant Castillo received \$308,731 in total compensation from the Company. This included \$52,750 in fees earned or paid in cash and \$255,981 in stock option awards. For the 2020 Fiscal Year, Defendant Castillo received \$54,495 in total compensation from the Company. This included \$39,375 in fees earned or paid in cash and \$15,120 in option awards.

51. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Castillo made the following sales of Company common stock:

<b>Date</b>	<b>Number of Shares</b>	<b>Avg. Price/Share</b>	<b>Proceeds</b>
June 7, 2021	10,000	\$10.000	\$100,000
November 2, 2021	15,000	\$15.00	\$225,000
August 11, 2022	42,000	\$2.91	\$122,220

Thus, in total, before the fraud was exposed, Defendant Castillo sold 37,000 shares of Company stock on inside information, for which she received approximately \$447,220 proceeds. Her insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate her motive in facilitating and participating in the scheme.

52. The 2024 Proxy Statement stated the following about Defendant Castillo:

**Career Highlights**

- More than 20 years of supply chain and logistics experience, having held multiple supply chain leadership roles at a spin-off company of 3M Company.

- Served as Chief Executive Officer and Chief Operating Officer at Logistics Planning Services from 2010 to 2017, a privately held transportation and logistics services company.
- Stayed on as Chief Operating Officer at GlobalTranz, a full-service, technology-driven third-party logistics provider from 2017 to 2018, following its acquisition of Logistics Planning Services, where she was responsible for all company operations including regional branches in North America and Mexico, delivering \$1.6 billion in revenue.

#### **Memberships**

- Served as the Vice President of Engagement for Advancing Women's Excellence in Supply Chain, Operations, Management, and Education from September 2019 to December 2021.
- Served on the board of The Marvin Companies and ACV Auctions Inc. since April 2019 and October 2020, respectively.
- Member of the boards for various non-profit organizations, including Board of Advisors at Duke University's Duke Innovation and Entrepreneurship and is the President of the United Way of Washington County.

Ms. Castillo received her Bachelor of Science from the University of Minnesota and her Global Executive Master of Business Administration from the Fuqua School of Business at Duke University.

*Our Board believes Ms. Castillo's expertise in business operations and logistics and her leadership experience provide her with the qualifications and skills to serve on our Board.*

#### **Defendant Fernandes**

53. Defendant Fernandes has served as a Company director since April 2020. As a member of the Board, Defendant Fernandes also serves as the Chair of the Compensation Committee and as a member of the Audit Committee and Science and Technology Committee. According to the 2024 Proxy Statement, as of May 10, 2024, Defendant Fernandes beneficially owned 412,409 shares of Company common stock. Given that the price per share of the Company's common stock at the close of trading on May 10, 2024, was \$1.59, Defendant

Fernandes beneficially owned approximately \$655,730 million worth of Ocugen stock as of that date.

54. For the 2023 Fiscal Year, Defendant Fernandes received \$124,625 in total compensation from the Company. This included \$82,500 in fees earned or paid in cash and \$42,125 in stock option awards. For the 2022 Fiscal Year, Defendant Fernandes received \$357,595 in total compensation from the Company. This included \$72,500 in fees earned or paid in cash and \$285,095 in stock option awards. For the 2021 Fiscal Year, Defendant Fernandes received \$302,602 in total compensation from the Company. This included \$46,621 in fees earned or paid in cash and \$255,981 in stock option awards. For the 2020 Fiscal Year, Defendant Fernandes received \$49,809 in total compensation from the Company. This included \$34,689 in fees earned or paid in cash and \$15,120 in option awards.

55. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Fernandes made the following sales of Company common stock:

<b>Date</b>	<b>Number of Shares</b>	<b>Avg. Price/Share</b>	<b>Proceeds</b>
May 25, 2021	33,500	\$8.20	\$274,700

Thus, in total, before the fraud was exposed, Defendant Fernandes sold 33,500 shares of Company stock on inside information, for which she received approximately \$274,700 in proceeds. Her insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate her motive in facilitating and participating in the scheme.

56. The 2024 Proxy Statement stated the following about Defendant Fernandes:

**Career Highlights**

- More than 35 years of pharmaceutical discovery, development, and management experience in large and small pharmaceutical companies.
- Previously held executive leadership positions at Bristol-Myers Squibb Pharmaceutical Research Institute, Abbott Laboratories, and The Squibb Institute for Medical Research.
- Founded and led four biotechnology and contract research organization companies as President, CEO, and Director of each of these companies.
- Prior to her retirement in December 2016, led Cempra, Inc. for 11 years as its Founder, CEO, and Chief Scientist.

### **Memberships**

- Chairperson of both the National Biodefense Science Board and the Scientific Advisory Committee of the Global Antibiotic Research and Development Partnership, a joint initiative of Drugs for Neglected Diseases and the World Health Organization.
- Board of Directors for OpGen, Inc., a publicly traded precision medicine company.

Dr. Fernandes received her Bachelor of Science in Biology and Chemistry from Bangalore University, her Master of Science in Microbiology and Biochemistry from Madras University, and her Ph.D. in Microbiology and Biochemistry from Thomas Jefferson University.

*Our Board believes Dr. Fernandes' extensive experience in the pharmaceutical and biotechnology space provide her with the qualifications and skills to serve on our Board.*

### **Defendant Potti**

57. Defendant Potti served as a Company director from September 2019 until her resignation in March 2022. As a previous member of the Board, Defendant Potti served as a member of the Audit Committee. According to the 2022 Proxy Statement, as of April 1, 2022, Defendant Potti beneficially owned 101,948 shares of Company common stock. Given that the price per share of the Company's common stock at the close of trading on April 1, 2022, was \$3.30, Defendant Potti owned approximately \$336,428 worth of Ocugen stock as of that date.

58. For the 2022 Fiscal Year, Defendant Potti received \$167,970 in total compensation from the Company. This included \$21,841 in fees earned or paid in cash and \$146,129 in stock option awards. For the 2021 Fiscal Year, Defendant Potti received \$304,481 in total compensation from the Company. This included \$48,500 in fees earned or paid in cash and \$255,981 in stock option awards. For the 2020 Fiscal Year, Defendant Potti received \$77,641 in total compensation from the Company. This included \$50,063 in fees earned or paid in cash and \$27,578 in option awards.

59. During the Relevant Period, while the Company's stock price was artificially inflated and before the scheme was exposed, Defendant Potti made the following sales of Company common stock:

<b>Date</b>	<b>Number of Shares</b>	<b>Avg. Price/Share</b>	<b>Proceeds</b>
May 3, 2021	88,000	\$15.02	1,321,320
June 15, 2021	68,185	\$8.86	\$604,119
November 2, 2021	63,429	\$15.07	\$955,875

Thus, in total, before the fraud was exposed, Defendant Potti sold 219,614 shares of Company stock on inside information, for which he received approximately \$2,881,314 in proceeds. His insider sales, made with knowledge of material nonpublic information before the material misstatements and omissions were exposed, demonstrate his motive in facilitating and participating in the scheme.

#### **FIDUCIARY DUTIES OF THE INDIVIDUAL DEFENDANTS**

60. By reason of their positions as officers, directors, and/or fiduciaries of Ocugen and because of their ability to control the business and corporate affairs of Ocugen, the Individual Defendants owed Ocugen and its shareholders fiduciary obligations of trust, loyalty, good faith, and due care, and were and are required to use their utmost ability to control and manage Ocugen

in a fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in furtherance of the best interests of Ocugen and its shareholders so as to benefit all shareholders equally.

61. Each director and officer of the Company owes to Ocugen and its shareholders the fiduciary duty to exercise good faith and diligence in the administration of the Company and in the use and preservation of its property and assets and the highest obligations of fair dealing.

62. The Individual Defendants, because of their positions of control and authority as directors and/or officers of Ocugen, were able to and did, directly and/or indirectly, exercise control over the wrongful acts complained of herein.

63. To discharge their duties, the officers and directors of Ocugen were required to exercise reasonable and prudent supervision over the management, policies, controls, and operations of the Company.

64. Each Individual Defendant, by virtue of his or her position as a director and/or officer, owed to the Company and to its shareholders the highest fiduciary duties of loyalty, good faith, and the exercise of due care and diligence in the management and administration of the affairs of the Company, as well as in the use and preservation of its property and assets. The conduct of the Individual Defendants complained of herein involves a knowing and culpable violation of their obligations as directors and officers of Ocugen, the absence of good faith on their part, or a reckless disregard for their duties to the Company and its shareholders that the Individual Defendants were aware or should have been aware posed a risk of serious injury to the Company. The conduct of the Individual Defendants who were also officers and directors of the Company has been ratified by the remaining Individual Defendants who collectively comprised a majority of Ocugen's Board at all relevant times.



65. As senior executive officers and/or directors of a publicly-traded company whose common stock was registered with the SEC pursuant to the Exchange Act and traded on the NASDAQ, the Individual Defendants had a duty to prevent and not to effect the dissemination of inaccurate and untruthful information with respect to the Company's financial condition, performance, growth, operations, financial statements, business, products, management, earnings, internal controls, and present and future business prospects, including the dissemination of false information regarding the Company's business, prospects, and operations, and had a duty to cause the Company to disclose in its regulatory filings with the SEC all those facts described in this complaint that it failed to disclose, so that the market price of the Company's common stock would be based upon truthful and accurate information. Further, they had a duty to ensure the Company remained in compliance with all applicable laws.

66. To discharge their duties, the officers and directors of Ocugen were required to exercise reasonable and prudent supervision over the management, policies, practices, and internal controls of the Company. By virtue of such duties, the officers and directors of Ocugen were required to, among other things:

(a) ensure that the Company was operated in a diligent, honest, and prudent manner in accordance with the laws and regulations of Delaware, Pennsylvania, and the United States, and pursuant to Ocugen's own Code of Business Conduct and Ethics (the "Code of Ethics");

(b) conduct the affairs of the Company in an efficient, business-like manner so as to make it possible to provide the highest quality performance of its business, to avoid wasting the Company's assets, and to maximize the value of the Company's stock;

(c) remain informed as to how Ocugen conducted its operations, and, upon receipt of notice or information of imprudent or unsound conditions or practices, to make

reasonable inquiry in connection therewith, and to take steps to correct such conditions or practices;

(d) establish and maintain systematic and accurate records and reports of the business and internal affairs of Ocugen and procedures for the reporting of the business and internal affairs to the Board and to periodically investigate, or cause independent investigation to be made of, said reports and records;

(e) maintain and implement an adequate and functioning system of internal legal, financial, and management controls, such that Ocugen's operations would comply with all applicable laws and Ocugen's financial statements and regulatory filings filed with the SEC and disseminated to the public and the Company's shareholders would be accurate;

(f) exercise reasonable control and supervision over the public statements made by the Company's officers and employees and any other reports or information that the Company was required by law to disseminate;

(g) refrain from unduly benefiting themselves and other Company insiders at the expense of the Company; and

(h) examine and evaluate any reports of examinations, audits, or other financial information concerning the financial affairs of the Company and to make full and accurate disclosure of all material facts concerning, *inter alia*, each of the subjects and duties set forth above.

67. Each of the Individual Defendants further owed to Ocugen and the shareholders the duty of loyalty requiring that each favor Ocugen's interest and that of its shareholders over their own while conducting the affairs of the Company and refrain from using their position, influence or knowledge of the affairs of the Company to gain personal advantage.

68. At all times relevant hereto, the Individual Defendants were the agents of each other and of Ocugen and were at all times acting within the course and scope of such agency.

69. Because of their advisory, executive, managerial, directorial, and controlling positions with Ocugen, each of the Individual Defendants had access to adverse, non-public information about the Company.

70. The Individual Defendants, because of their positions of control and authority, were able to and did, directly or indirectly, exercise control over the wrongful acts complained of herein, as well as the contents of the various public statements issued by Ocugen.

**CONSPIRACY, AIDING AND ABETTING, AND CONCERTED ACTION**

71. In committing the wrongful acts alleged herein, the Individual Defendants have pursued, or joined in the pursuit of, a common course of conduct, and have acted in concert with and conspired with one another in furtherance of their wrongdoing. The Individual Defendants caused the Company to conceal the true facts as alleged herein. The Individual Defendants further aided and abetted and/or assisted each other in breaching their respective duties.

72. The purpose and effect of the conspiracy, common enterprise, and/or common course of conduct was, among other things, to: (i) facilitate and disguise the Individual Defendants' violations of law, including breaches of fiduciary duty, unjust enrichment, waste of corporate assets, gross mismanagement, abuse of control, and violations of the Exchange Act; (ii) conceal adverse information concerning the Company's operations, financial condition, legal compliance, future business prospects and internal controls; and (iii) artificially inflate the Company's stock price.

73. The Individual Defendants accomplished their conspiracy, common enterprise, and/or common course of conduct by causing the Company purposefully or recklessly to conceal material facts, fail to correct such misrepresentations, and violate applicable laws. In furtherance

of this plan, conspiracy, and course of conduct, the Individual Defendants collectively and individually took the actions set forth herein. Because the actions described herein occurred under the authority of the Board, each of the Individual Defendants who is a director of Ocugen was a direct, necessary, and substantial participant in the conspiracy, common enterprise, and/or common course of conduct complained of herein.

74. Each of the Individual Defendants aided and abetted and rendered substantial assistance in the wrongs complained of herein. In taking such actions to substantially assist the commission of the wrongdoing complained of herein, each of the Individual Defendants acted with actual or constructive knowledge of the primary wrongdoing, either took direct part in, or substantially assisted in the accomplishment of that wrongdoing, and was or should have been aware of his or her overall contribution to and furtherance of the wrongdoing.

75. At all times relevant hereto, each of the Individual Defendants was the agent of each of the other Individual Defendants and of Ocugen and was at all times acting within the course and scope of such agency.

#### **OCUGEN'S CODE OF ETHICS**

76. According to the Company's Code of Ethics, the Code of Ethics "is a reaffirmation of our commitment to conducting our business ethically, with integrity, and to observe applicable laws, rules and regulations."

77. The Board represents that it adopted the Code of Ethics to "demonstrate our firm commitment to compliance and to reflect our belief in the highest standards of ethics and integrity."

The Board establishes the following about the Code of Ethics:

The Code is designed to promote (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, (ii) full, fair, accurate, timely, and understandable disclosure in reports and documents the Company files with, or submit to, the Securities and Exchange Commission (the "SEC") and in our other public

communications, (iii) compliance with applicable governmental laws, rules and regulations, (iv) prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code and (v) to ensure accountability for adherence to the Code. It also serves as a guide to help us achieve our goals and set expectations by highlighting many of the laws, rules and regulations that affect our industry. But, more importantly, it helps protect our reputation by ensuring to our business partners, investors and patients that together we are committed to a culture of compliance. The Company's Chief Financial Officer or other person performing similar duties (such person is referred to herein as the "Chief Financial Officer") has been designated to be the compliance officer (the "Compliance Officer") for purposes of the implementation, interpretation and administration of the Code.

78. In a section titled "Your Responsibilities," the Code of Ethics states the following:

The Code is meant to familiarize you with our commitment to conducting our business ethically and with integrity and to observe applicable laws, rules and regulations. It is of the utmost importance that you read, understand and comply with the Code. We expect all employees, executive officers and directors to:

- Understand and comply with the Code and all other Ocugen policies;
- Act with integrity, honesty and high ethical standards in conducting Ocugen business;
- Always treat colleagues with respect;
- Seek guidance if you are unsure about what to do in a particular situation;
- Promptly report any suspected violations of this Code to the appropriate persons; and
- Fully cooperate with any Company investigation of alleged misconduct. In a section titled "Financial Integrity," the Code of Ethics states the following:

79. In a section titled "Additional Responsibilities of Supervisors, Executive Officers and Directors," the Code of Ethics states the following:

Supervisors, executive officers and directors have additional responsibilities and are expected to serve as a positive role model for employees. Supervisors, executive officers and directors must:

- Create an environment where employees are encouraged to ask questions and raise concerns without fear of retaliation;
- Demonstrate commitment to maintaining high ethical standards;

- Enforce and comply with the Code; and
- Promptly report any suspected violations of this Code to the appropriate persons.

80. In a section titled “Reporting,” the Code of Ethics states the following, in relevant part:

Every employee, executive officer and director has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding the enforcement of the Code, the law and other Company policies.

Any employee, executive officer or director who knows or believes that any other employee or agent of the Company has engaged, or is engaging, in conduct that violates applicable law, this Code or Company policy should report such information to their supervisor, a Human Resources representative, our Compliance Officer or anonymously by submitting such concerns via the Whistleblower Hotline. All employees have access to the Company’s Whistleblower Hotline, via telephone at +1 844-684-5525 or online at [ocugen.ethicspoint.com](http://ocugen.ethicspoint.com), through which suspected violations may be reported confidentially and anonymously. Human Resources will monitor the Whistleblower Hotline. Human Resources or the relevant supervisor to whom concerns were reported must promptly report concerns of suspected violations to the Compliance Officer (unless the report concerns the Compliance Officer, in which case the report may be made directly to the Audit Committee). Any concerns involving directors or executive officers will be reported by the Compliance Officer to the Audit Committee. While we prefer that you identify yourself when reporting violations so that we may follow up with you, as necessary, for additional information, you may report anonymously.

While it is our desire to address matters internally, nothing in the Code should discourage you from reporting any illegal activity, including any violation of securities laws, antitrust laws, environmental laws or any other federal, state or foreign law, rule or regulation, to the appropriate regulatory authority.

81. In a section titled “Compliance with Laws, Rules, and Regulations Worldwide,” the Code of Ethics states the following:

Our industry is highly regulated, and regulation affects virtually every functional area of our business.

Ocugen and all of our employees are required to comply with all laws, rules and regulations that apply to the operations of our Company including, but not limited to, laws, rules and regulations that govern the development, manufacturing and clinical distribution of products; securities laws; privacy laws; employment laws;

and local, state and federal laws, including those relating to duties owed by corporate officers and directors.

In certain aspects of our business activities, we have made further commitments to comply with generally accepted industry codes of conduct. Because Ocugen may operate outside of the United States, the laws and regulatory requirements of more than one country may apply to certain activities. In the event local laws and regulatory requirements differ from the Code or other Company policy, the stricter requirements generally apply.

82. In a section titled “Insider Trading,” the Code of Ethics states the following:

You are prohibited from buying, selling or engaging in any other transaction with respect to securities of Ocugen or any other company, including the Company’s suppliers and customers, while in possession of material, non-public information. Material information is any information that a reasonable investor would consider important in making an investment decision. You must also refrain from sharing, tipping or disclosing material, non-public information with others.

You should be aware that stock market surveillance techniques are becoming increasingly sophisticated, and the probability that U.S. federal or other regulatory authorities will detect and prosecute even small level trading is significant. Insider trading rules are strictly enforced, even in instances where the financial transactions seem small. Violations of the U.S. securities laws may result in civil and criminal penalties, including disgorgement of profits, civil judgments, fines and jail sentences.

All directors, executive officers and employees are also subject to our Insider Trading Policy, which is available on our intranet site. You should review and be familiar with the Insider Trading Policy. If you are uncertain about the constraints on your purchase or sale of any securities by virtue of your relationship with Ocugen, you should consult with our Chief Financial Officer or our Compliance Officer before making any such purchases or sale.

83. In a section titled “Accuracy of Books and Records and Public Reports,” the Code of Ethics states the following:

The Company has an obligation to make and keep books, records and accounts that, in reasonable detail, accurately and fairly reflect the Company’s transactions and to maintain tax records and prepare tax returns that comply with applicable laws, rules and regulations. The Company must also maintain a system of internal accounting controls that meet generally accepted accounting principles and applicable laws, rules and regulations. All employees who are responsible for any aspect of the Company’s internal accounting controls and financial and tax reporting systems (including, but not limited to, the Chief Executive Officer, Chief Financial Officer, the principal accounting officers and persons performing similar

functions) must conduct themselves using the highest ethical standards of integrity and honesty, in a manner that allows the Company to meet accounting and legal requirements and to prepare financial reports and financial statements that are not false or misleading, and that present full, fair, accurate, timely and understandable disclosure in the Company's periodic reports and other public communications.

You must honestly and accurately report all business transactions. You are responsible for the accuracy of your records and reports. Accurate information is essential to our ability to meet legal and regulatory requirements.

All Company books, records and accounts will be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions they record. No employee, executive officer or director may override, or direct others to override, the Company's established system of internal controls over financial reporting and disclosure. The financial statements of the Company must conform to generally accepted accounting rules and the Company's finance policies. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries should be made in the Company's books or records for any reason, and no disbursement of corporate funds or other corporate property should be made without adequate supporting documentation. Transactions of the Company are to be executed only in accordance with management's general or specific authorizations.

It is our policy to provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the SEC and in other public communications.

84. In violation of the Code of Ethics, the Individual Defendants (as key officers and as members of the Company's Board) conducted little, if any, oversight of the Company's engagement in the Individual Defendants' scheme to issue materially false and misleading statements to the public, and to facilitate and disguise the Individual Defendants' violations of law, including breaches of fiduciary duty, gross mismanagement, abuse of control, waste of corporate assets, unjust enrichment, and violations of the Exchange Act. Also, in violation of the Code of Ethics, the Individual Defendants failed to comply with laws and regulations, conduct business in an honest and ethical manner, and properly report violations of the Code of Ethics.

85. In further breach of the Code of Ethics, specifically the "Insider Trading" section, Defendants Zhang, Castillo, Kompella, Musunuri, Subramanian, Fernande, Ramesh, and Potti



breached their fiduciary duty by engaging in lucrative insider sales of Company common stock while the price was artificially inflated, resulting in combined proceeds of approximately \$38 million.

### **AUDIT COMMITTEE CHARTER**

86. The Company also maintains an Audit Committee Charter. Under a section titled “Purpose,” the Audit Committee Charter states “the purpose of the Audit Committee of the Board of Directors (the “Board”) of Ocugen, Inc. (the “Company”) is to assist the Board’s oversight of the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements.”

87. Under a section titled “Authority and Responsibilities” the Audit Committee Charter outlines the Audit Committee’s responsibilities as follows:

The Audit Committee shall discharge its responsibilities, and shall assess the information provided by the Company’s management and the Company’s registered public accounting firm (the “independent auditor”), in accordance with its business judgment. Management is responsible for the preparation, presentation, and integrity of the Company’s financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The independent auditor is responsible for auditing the Company’s financial statements and, when required, the Company’s internal control over financial reporting and for reviewing the Company’s unaudited interim financial statements. The authority and responsibilities set forth in this Charter do not reflect or create any duty or obligation of the Audit Committee to plan or conduct any audit, to determine or certify that the Company’s financial statements are complete, accurate, fairly represented, or in accordance with generally accepted accounting principles or applicable law, or to guarantee the independent auditor’s reports.

88. Under a section titled “Oversight of Independent Auditor” the Audit Committee Charter outlines the Audit Committee’s responsibilities as follows:

1. Selection. The Audit Committee shall be solely and directly responsible for appointing, evaluating, retaining and, when necessary, terminating the engagement of the independent auditor. The Audit Committee may, in its discretion, seek stockholder ratification of the independent auditor it appoints.

2. Independence. The Audit Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the independent auditor. In connection with this responsibility, the Audit Committee shall obtain and review the requirements of the Public Company Accounting Oversight Board (the “PCAOB”) regarding the independent auditor’s communications with the Audit Committee concerning independence. The Audit Committee shall actively engage in dialogue with the independent auditor concerning any disclosed relationships or services that might impact the objectivity and independence of the auditor.
3. Compensation. The Audit Committee shall have sole and direct responsibility for setting the compensation of the independent auditor. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of the independent auditor established by the Audit Committee.
4. Preapproval of Services. The Audit Committee shall preapprove all audit services to be provided to the Company, whether provided by the principal auditor or other firms, and all other services (review, attest and non-audit) to be provided to the Company by the independent auditor; provided, however, that de minimis nonaudit services may instead be approved in accordance with applicable SEC rules.
5. Oversight. The independent auditor shall report directly to the Audit Committee, and the Audit Committee shall have sole and direct responsibility for overseeing the work of the independent auditor, including resolution of disagreements between Company management and the independent auditor regarding financial reporting. In connection with its oversight role, the Audit Committee shall, from time to time as appropriate, receive and consider the reports and other communications required to be made by the independent auditor regarding:
  - critical accounting policies and practices;
  - alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with Company management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
  - other material written communications between the independent auditor and Company management; and
  - all other matters required to be communicated by the independent auditor to the Audit Committee under the standards of the PCAOB, including Auditing Standard No. 16, Communications with Audit Committee (“AS 16”).

89. Under a section titled “Audited Financial Statements” the Audit Committee Charter outlines the Audit Committee’s responsibilities as follows:

1. Review and Discussion. The Audit Committee shall review and discuss with the Company’s management and independent auditor the Company’s audited financial statements, including the matters required to be discussed by AS 16.
2. Recommendation to Board Regarding Financial Statements. The Audit Committee shall review and discuss the Company’s annual audited financial statements, interim financial statements and any certification, report, opinion or review rendered by the independent auditor with the Company’s management and the independent auditor. The Audit Committee shall recommend to the Board whether the annual audited financial statements and related notes should be included in the Company’s annual report on Form 10-K.
3. Audit Committee Report. The Audit Committee shall prepare an annual committee report for inclusion where necessary in the proxy statement of the Company relating to its annual meeting of security holders.

90. Under a section titled “Review of Other Financial Disclosures” the Audit Committee Charter outlines the Audit Committee’s responsibilities as follows:

Independent Auditor Review of Interim Financial Statements. The Audit Committee shall direct the independent auditor to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Audit Committee and Chief Financial Officer any matters identified in connection with the auditor’s review of interim financial information which are required to be discussed by applicable auditing standards. The Audit Committee shall direct management to advise the Audit Committee in the event that the Company proposes to disclose interim financial information prior to completion of the independent auditor’s review of interim financial information.

91. Under a section titled “Controls and Procedures” the Audit Committee Charter outlines the Audit Committee’s responsibilities as follows:

1. Oversight. The Audit Committee shall coordinate the Board’s oversight of the Company’s internal control over financial reporting, disclosure controls and procedures and Code of Business Conduct and Ethics. The Audit Committee shall periodically assess the adequacy of the Code of Business Conduct and Ethics and recommend any proposed changes to the Board for approval. The Audit Committee shall receive and review the reports of the Chief Executive Officer and the Chief Financial Officer required by Rule 13a-14 under the Exchange Act.

2. Risk Management. The Audit Committee shall assess and discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled.

3. Legal Compliance. The Audit Committee shall review with the Company's counsel and report to the Board on litigation, material government investigations and compliance with applicable legal requirements and the Company's Code of Business Conduct and Ethics.

4. Procedures for Complaints. The Audit Committee shall establish, and oversee the Company's compliance with, procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

5. Oversight of Related Person Transactions. The Audit Committee shall review the Company's policies and procedures for reviewing and approving or ratifying "related person transactions" (defined as transactions required to be disclosed pursuant to Item 404 of Regulation S-K), including the Company's Related Party Transactions Policy, and recommend any changes to the Board. In accordance with the Company's Related Party Transactions Policy and Nasdaq rules, the Audit Committee shall conduct appropriate review and oversight of all related person transactions for potential conflict of interest situations on an ongoing basis.

6. Review the Company Investment Policy. The Audit Committee shall review the Company's Investment Policy on an annual basis and approve any changes. The Audit Committee shall review any requests for a waiver to the Investment Policy.

7. Cybersecurity and Additional Risks. In connection with the Audit Committee's discussion of the Company's financial, accounting and financial risk assessment and management guidelines, it may consider the Company's major risk exposures, including financial, operational, privacy, security, cybersecurity, competition, legal, regulatory, hedging and accounting risk exposures and the steps that the Company's management has taken to monitor and control such exposures. 8. Additional Duties. The Audit Committee shall have such other duties as may be delegated from time to time by the Board.

93. Under a section titled "Controls and Procedures" the Audit Committee Charter outlines the Audit Committee's responsibilities as follows:

1. Meetings. The Audit Committee shall meet as often as it deems necessary in order to perform its responsibilities but at a minimum four times per year

concurrent with the filing of the Company's financial statements on Forms 10-K and 10-Q. The Audit Committee may also act by unanimous written consent in lieu of a meeting. The Audit Committee shall periodically meet separately with: (i) the independent auditor; (ii) Company management; and (iii) the Company's internal auditors. The Audit Committee shall keep such records of its meetings as it shall deem appropriate.

2. Subcommittees. The Audit Committee may form and delegate authority to one or more subcommittees, as it deems appropriate from time to time under the circumstances (including a subcommittee consisting of a single member). Any decision of a subcommittee to preapprove audit, review, attest or non-audit services shall be presented to the full Audit Committee at its next scheduled meeting.
3. Reports to Board. The Audit Committee shall report regularly to the Board.
4. Charter. At least annually, the Audit Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Independent Advisors. The Audit Committee is authorized, without further action by the Board, to engage such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Audit Committee. Any communications between the Audit Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Audit Committee will take all necessary steps to preserve the privileged nature of those communications.
6. Investigations. The Audit Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Audit Committee or any advisors engaged by the Audit Committee.
7. Annual Self-Evaluation. The Audit Committee shall conduct and present to the Board on an annual basis a performance evaluation of the Audit Committee's performance of its duties under this Charter. The performance evaluation shall be conducted in such manner as the Audit Committee deems appropriate. Any member of the Audit Committee may present the evaluation to the Board either orally or in writing.
8. Funding. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

94. In violation of the Audit Committee Charter, Individual Defendants failed to adequately review and discuss the Company's annual and quarterly earnings releases; failed to adequately exercise their risk management and risk assessment functions; and failed to ensure adequate Board oversight of the Company's internal control over financial reporting, disclosure controls and procedures, and Code of Ethics.

### **THE INDIVIDUAL DEFENDANTS' MISCONDUCT**

#### ***Background***

95. Founded in 2013, Ocugen is a Delaware-incorporated biotechnology company headquartered in Malvern Pennsylvania. Ocugen operates as a clinical stage biopharmaceutical company that is focused on "discovering, developing, and commercializing a pipeline of innovative therapies that address rare and underserved eye diseases." The Company focuses on novel gene and cell therapies and vaccines that improves the health for patients across the world. The Company purports to help identify and develop science to bring something "unique" to the healthcare industry.

96. Ocugen's developments are listed out in their technology pipeline. The Company's technology pipeline includes: (1) a modifier gene therapy platform, (2) novel biologic therapy for retinal diseases, (3) a regenerative medicine cell therapy platform, and (4) an inhaled mucosal vaccine platform. The Company's product candidates include gene therapies, biologics, cell therapies (regenerative medicine), and vaccines. Ocugen purports that the Company's product candidates have the potential to treat serious conditions and prevent the spread of respiratory diseases such as the flu and COVID-19.

97. The modifier gene therapy platform is designed to fulfill unmet medical needs related to retinal diseases, including inherited retinal diseases, Stargardt disease, and multifactorial diseases, a disease that affects the retina. The Company intends to begin dosing patients in a phase

3 trial for treatment of retinitis pigmentosa in the second quarter of 2024. They also expect to expand development in Leber congenital amaurosis, a rare type of inherited eye disorder that causes severe vision loss, patients in the second half of 2024, subject to alignment with the FDA.

98. Under novel biologic therapy for retinal diseases, the company is developing a novel fusion protein. So far, the FDA placed the Company's application on clinical hold and the Company is working to lift that hold.

99. The regenerative medicine cell therapy platform technology combines bioengineering and cell processing to strengthen the autologous cartilage repair process. The Company intends to initiate the phase 3 trial where chondroplasty will be used as a control group in the second half of 2024, subject to adequate funding.

100. Under the inhaled mucosal vaccine program, the Company has a license agreement with the Washington University in St. Louis to develop, manufacture, and commercialize an inhaled mucosal COVID-19 vaccine for the prevention of COVID-19 around the world. Clinical trials are expected to begin in the middle of 2024.

101. The Company strategizes that the expansion and exploration of partnerships with key collaborators will help maximize patient access, global reach, and the value of Ocugen's products to candidates. Under these collaboration arrangements, the Company intends to explore strategic licensing, acquisitions and collaboration opportunities with qualified partners to increase the benefit of Ocugen's product candidates for patients and to expand the Company's candidate pipeline. The collaboration arrangements are typically with pharmaceutical companies or other biotechnology institutions. Specifically, Ocugen is in an agreement with CanSinoBIO for the development and commercialization of the Company's modifier gene therapy platform.



102. The Company gives collaborators discretion in determining the efforts and resources then applied to collaboration arrangements. Thus, the Company has limited control over resources that collaborators dedicate to the development or commercialization of Ocugen's product candidates. As a result, disagreements between parties to a collaboration agreement can lead to delays in the development process or commercialization of the applicable product candidate.

### **False and Misleading Statements**

#### ***May 8, 2020 10-Q***

103. On May 8, 2020, the Company filed with the SEC its Form 10-Q for the 1Q 2020 10-Q. The 1Q20 10-Q was signed by Defendants Musunuri and Subramanian and contained attached certifications pursuant to Rules 13a-14(a) and 15(d)-14(a) under the Exchange Act and the Sarbanes-Oxley Act of 2002 ("SOX") signed by Defendants Musunuri and Subramanian attesting to the accuracy of the 1Q 2020 10-Q.

104. The 1Q 2020 10-Q stated the following regarding Ocugen's internal controls:

***We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) (the "Exchange Act"), as of March 31, 2020. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.***



(Emphasis added).

105. The 1Q 2020 10-Q contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	March 31, 2020	December 31, 2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 3,193,188	\$ 7,444,052
Prepaid expenses and other current assets	1,169,297	1,322,167
Asset held for sale	7,000,000	7,000,000
Total current assets	11,362,485	15,766,219
Property and equipment, net	248,997	222,464
Restricted cash	151,100	151,016
Other assets	551,163	667,747
<b>Total assets</b>	<b>\$ 12,313,745</b>	<b>\$ 16,807,446</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 1,548,309	\$ 1,895,613
Accrued expenses	1,383,658	2,270,045
Operating lease obligation	176,616	172,310
Other current liabilities	206,415	205,991
Total current liabilities	3,314,998	4,543,959
Non-current liabilities		
Operating lease obligation, less current portion	117,142	163,198
Long term debt, net	1,580,560	1,072,123
Other non-current liabilities	3,940	9,755
Total non-current liabilities	1,701,642	1,245,076
Total liabilities	5,016,640	5,789,035
Commitments and contingencies (Note 8)		
Stockholders' equity		
Convertible preferred stock, \$0.01 par value, 10,000,000 shares authorized, seven issued and outstanding at March 31, 2020 and December 31, 2019	—	—
Common stock, \$0.01 par value, 200,000,000 authorized, 52,746,728 shares issued and 52,625,228 shares outstanding at March 31, 2020 and December 31, 2019	527,467	527,467
Treasury Stock, at cost, 121,500 shares at March 31, 2020 and December 31, 2019	(47,864)	(47,864)
Additional paid-in capital	62,241,145	62,018,632
Accumulated deficit	(55,423,643)	(51,479,824)
Total stockholders' equity	7,297,105	11,018,411
<b>Total liabilities and stockholders' equity</b>	<b>\$ 12,313,745</b>	<b>\$ 16,807,446</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(Unaudited)**

	Three months ended March 31,	
	2020	2019
Operating expenses		
Research and development	\$ 1,652,318	\$ 3,793,022
General and administrative	2,276,784	1,048,020
Total operating expenses	3,929,102	4,841,042
Loss from operations	(3,929,102)	(4,841,042)
Other income (expense)		
Change in fair value of derivative liabilities	—	(776,273)
Interest income	119	594
Interest expense	(14,749)	(695,469)
Other income (expense)	(87)	(416)
Total other income (expense)	(14,717)	(1,471,564)
Net loss	\$ (3,943,819)	\$ (6,312,606)
Net loss per share of common stock — basic and diluted	\$ (0.07)	\$ (1.27)
Weighted average common shares outstanding — basic and diluted	52,627,228	4,960,552
Other comprehensive income (loss)		
Foreign currency translation adjustment	—	(282)
Comprehensive loss	\$ (3,943,819)	\$ (6,312,888)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	Three months ended March 31,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (3,943,819)	\$ (6,312,606)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	18,283	14,604
Non-cash interest expense	14,749	695,469
Non-cash lease expense	47,696	73,273
Change in fair value of derivative liability	—	776,273
Stock-based compensation expense	222,513	415,202
Changes in assets and liabilities:		
Prepaid expenses and other assets	227,870	49,555
Accounts payable and accrued expenses	(1,225,853)	1,723,507
Lease obligations	(47,862)	(102,488)
<b>Net cash used in operating activities</b>	<b>(4,686,423)</b>	<b>(2,667,211)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(52,653)	(10,581)
<b>Net cash used in investing activities</b>	<b>(52,653)</b>	<b>(10,581)</b>
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(5,964)	(5,964)
Payment of debt issuance costs	(5,740)	(85,233)
Proceeds from issuance of debt	500,000	1,450,000
<b>Net cash provided by financing activities</b>	<b>488,296</b>	<b>1,358,803</b>
Effect of changes in exchange rate on cash	—	(282)
<b>Net decrease in cash, cash equivalents and restricted cash</b>	<b>(4,250,780)</b>	<b>(1,319,271)</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>7,595,068</b>	<b>1,778,613</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 3,344,288</b>	<b>\$ 459,342</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Right-of-use asset related to operating leases (Note 8)	\$ —	\$ 427,751

106. The statements in ¶¶ 104-105 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 105 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

*August 14, 2020 Form 10-Q*

107. On August 14, 2020, the Company filed with the SEC its Form 10-Q for the period ended June 30, 2020 (the “2Q 2020 10-Q”). The 2Q 2020 10-Q was signed by Defendants Musunuri and Subramanian and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of the 2Q 2020 10-Q.

108. The 2Q 2020 10-Q stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) (the “Exchange Act”), as of June 30, 2020. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, **our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms**, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

109. The 2Q 2020 10-Q contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	June 30, 2020	December 31, 2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 14,968,161	\$ 7,444,052
Prepaid expenses and other current assets	924,500	1,322,167
Asset held for sale	7,000,000	7,000,000
Total current assets	22,892,661	15,766,219
Property and equipment, net	232,354	222,464
Restricted cash	151,157	151,016
Other assets	482,711	667,747
<b>Total assets</b>	<b>\$ 23,758,883</b>	<b>\$ 16,807,446</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 507,864	\$ 1,895,613
Accrued expenses	2,084,915	2,270,045
Short-term debt, net	4,068,176	—
Operating lease obligation	175,538	172,310
Other current liabilities	204,860	205,991
Total current liabilities	7,041,353	4,543,959
Non-current liabilities		
Operating lease obligation, less current portion	75,577	163,198
Long term debt, net	2,018,926	1,072,123
Other non-current liabilities	—	9,755
Total non-current liabilities	2,094,503	1,245,076
<b>Total liabilities</b>	<b>9,135,856</b>	<b>5,789,035</b>
Commitments and contingencies (Note 11)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized; seven issued and outstanding at June 30, 2020 and December 31, 2019	—	—
Common stock; \$0.01 par value; 200,000,000 authorized; 135,128,144 and 52,746,728 shares issued at June 30, 2020 and December 31, 2019, respectively; 135,006,644 and 52,625,228 shares outstanding at June 30, 2020 and December 31, 2019, respectively	1,351,281	527,467
Treasury Stock, at cost, 121,500 shares at June 30, 2020 and December 31, 2019	(47,864)	(47,864)
Additional paid-in capital	72,357,228	62,018,632
Accumulated deficit	(59,037,618)	(51,479,824)
Total stockholders' equity	14,623,027	11,018,411
<b>Total liabilities and stockholders' equity</b>	<b>\$ 23,758,883</b>	<b>\$ 16,807,446</b>

OCUGEN, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Six months ended June 30,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (7,557,794)	\$ (9,851,416)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	37,760	19,259
Non-cash interest expense	262,892	937,772
Non-cash lease expense	95,392	154,969
Change in fair value of derivative liability	—	1,384,422
Stock-based compensation expense	371,722	527,009
Loss on debt conversion	—	341,136
Other non-cash	(165,609)	—
Changes in assets and liabilities:		
Prepaid expenses and other assets	498,836	(32,986)
Other assets	—	(25,000)
Accounts payable and accrued expenses	(1,219,887)	653,767
Lease obligations	(95,918)	(139,857)
<b>Net cash used in operating activities</b>	<b>(7,772,606)</b>	<b>(6,030,925)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(34,458)	(2,067)
Payment of reverse asset acquisition costs	—	(130,000)
<b>Net cash used in investing activities</b>	<b>(34,458)</b>	<b>(132,067)</b>
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(11,928)	(1,021)
Proceeds from issuance of common stock	16,160,239	1,000,000
Payment of equity issuance costs	(592,952)	—
Proceeds from issuance of debt	921,415	4,300,000
Payments of debt issuance costs	(5,740)	(85,233)
Repayments of debt	(1,139,720)	—
<b>Net cash provided by financing activities</b>	<b>15,331,314</b>	<b>5,213,746</b>
<b>Effect of changes in exchange rate on cash</b>	<b>—</b>	<b>(99)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>7,524,250</b>	<b>(949,345)</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>7,595,068</b>	<b>1,778,613</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 15,119,318</b>	<b>\$ 829,268</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Issuance of Warrant Exchange Promissory Notes	\$ 5,625,000	\$ —
Obligation settled with common stock	\$ 331,218	\$ —
Conversion of convertible notes	\$ —	\$ 13,979,788
Deferred transaction costs	\$ —	\$ 1,937,100
Right-of-use asset related to operating leases	\$ —	\$ 470,356
Deferred equity issuance costs	\$ 130,074	\$ 152,157

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenues				
Collaboration revenue	\$ 42,620	\$ —	\$ 42,620	\$ —
Total revenues	42,620	—	42,620	—
Operating expenses				
Research and development	1,629,869	1,240,047	3,282,187	5,033,069
General and administrative	1,779,016	1,088,477	4,055,800	2,136,497
Total operating expenses	3,408,885	2,328,524	7,337,987	7,169,566
Loss from operations	(3,366,265)	(2,328,524)	(7,295,367)	(7,169,566)
Other income (expense)				
Change in fair value of derivative liabilities	—	(608,149)	—	(1,384,422)
Loss on debt conversion	—	(341,136)	—	(341,136)
Interest income	433	377	552	971
Interest expense	(248,143)	(261,562)	(262,892)	(957,031)
Other income (expense)	—	184	(87)	(232)
Total other income (expense)	(247,710)	(1,210,286)	(262,427)	(2,681,850)
Net loss	\$ (3,613,975)	\$ (3,538,810)	\$ (7,557,794)	\$ (9,851,416)
Deemed dividend related to Warrant Exchange	(12,546,340)	—	(12,546,340)	—
Net loss to common stockholders	\$ (16,160,315)	\$ (3,538,810)	\$ (20,104,134)	\$ (9,851,416)
Shares used in calculating net loss per common share — basic and diluted	83,537,463	6,067,401	68,082,346	5,461,576
Net loss per share of common stock — basic and diluted	\$ (0.19)	\$ (0.58)	\$ (0.30)	\$ (1.80)
Net loss	\$ (3,613,975)	\$ (3,538,810)	\$ (7,557,794)	\$ (9,851,416)
Other comprehensive income (loss)				
Foreign currency translation adjustment	—	(169)	—	(451)
Comprehensive loss	\$ (3,613,975)	\$ (3,538,979)	\$ (7,557,794)	\$ (9,851,867)

110. The statements in ¶¶ 108-109 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 109 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

*November 6, 2020 Form 10-Q*

111. On November 6, 2020, the Company filed with the SEC its Form 10-Q for the period ended September 30, 2020 (the “3Q 2020 10-Q”). The 3Q 2020 10-Q was signed by Defendants Musunuri and Subramanian and attached certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of the 3Q 2020 10-Q.

112. The 2Q 2020 10-Q stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2020. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, **our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms**, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

113. The 2Q 2020 10-Q contained the following misleading financial statements:



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	September 30, 2020	December 31, 2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 19,105,830	\$ 7,444,052
Prepaid expenses and other current assets	652,893	1,322,167
Asset held for sale	—	7,000,000
Total current assets	19,758,723	15,766,219
Property and equipment, net	214,100	222,464
Restricted cash	151,196	151,016
Other assets	415,555	667,747
<b>Total assets</b>	<b>\$ 20,539,574</b>	<b>\$ 16,807,446</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 222,340	\$ 1,895,613
Accrued expenses	2,333,733	2,270,045
Short-term debt, net	1,210,645	—
Operating lease obligation	164,808	172,310
Other current liabilities	199,261	205,991
Total current liabilities	4,130,787	4,543,959
Non-current liabilities		
Operating lease obligation, less current portion	42,746	163,198
Long term debt, net	1,944,396	1,072,123
Other non-current liabilities	—	9,755
Total non-current liabilities	1,987,142	1,245,076
Total liabilities	6,117,929	5,789,035
Commitments and contingencies (Note 11)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized; seven issued and outstanding at September 30, 2020 and December 31, 2019	—	—
Common stock; \$0.01 par value; 200,000,000 authorized; 162,147,973 and 52,746,728 shares issued at September 30, 2020 and December 31, 2019, respectively; 162,026,473 and 52,625,228 shares outstanding at September 30, 2020 and December 31, 2019, respectively	1,621,480	527,467
Treasury Stock, at cost, 121,500 shares at September 30, 2020 and December 31, 2019	(47,864)	(47,864)
Additional paid-in capital	82,359,494	62,018,632
Accumulated deficit	(69,511,465)	(51,479,824)
Total stockholders' equity	14,421,645	11,018,411
<b>Total liabilities and stockholders' equity</b>	<b>\$ 20,539,574</b>	<b>\$ 16,807,446</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
<b>Revenues</b>				
Collaboration revenue	\$ —	\$ —	\$ 42,620	\$ —
<b>Total revenues</b>	<b>—</b>	<b>—</b>	<b>42,620</b>	<b>—</b>
<b>Operating expenses</b>				
Research and development	1,477,382	1,305,461	4,759,569	6,338,530
In-process research and development	7,000,000	—	7,000,000	—
General and administrative	1,704,598	1,408,350	5,760,398	3,544,847
<b>Total operating expenses</b>	<b>10,181,980</b>	<b>2,713,811</b>	<b>17,519,967</b>	<b>9,883,377</b>
<b>Loss from operations</b>	<b>(10,181,980)</b>	<b>(2,713,811)</b>	<b>(17,477,347)</b>	<b>(9,883,377)</b>
<b>Other income (expense)</b>				
Change in fair value of derivative liabilities	—	(18,512,204)	—	(19,896,626)
Loss on debt conversion	—	—	—	(341,136)
Interest income	42	136	594	1,107
Interest expense	(291,909)	(796,141)	(554,801)	(1,753,172)
Other income (expense)	—	(751,261)	(87)	(751,493)
<b>Total other income (expense)</b>	<b>(291,867)</b>	<b>(20,059,470)</b>	<b>(554,294)</b>	<b>(22,741,320)</b>
<b>Net loss</b>	<b>\$ (10,473,847)</b>	<b>\$ (22,773,281)</b>	<b>\$ (18,031,641)</b>	<b>\$ (32,624,697)</b>
Deemed dividend related to Warrant Exchange	—	—	(12,546,340)	—
<b>Net loss to common stockholders</b>	<b>\$ (10,473,847)</b>	<b>\$ (22,773,281)</b>	<b>\$ (30,577,981)</b>	<b>\$ (32,624,697)</b>
<b>Shares used in calculating net loss per common share — basic and diluted</b>	<b>141,591,218</b>	<b>6,411,308</b>	<b>92,764,157</b>	<b>5,839,840</b>
<b>Net loss per share of common stock — basic and diluted</b>	<b>\$ (0.07)</b>	<b>\$ (3.55)</b>	<b>\$ (0.33)</b>	<b>\$ (5.59)</b>
<b>Net loss</b>	<b>\$ (10,473,847)</b>	<b>\$ (22,773,281)</b>	<b>\$ (18,031,641)</b>	<b>\$ (32,624,697)</b>
<b>Other comprehensive income (loss)</b>				
Foreign currency translation adjustment	—	—	—	(451)
<b>Comprehensive loss</b>	<b>\$ (10,473,847)</b>	<b>\$ (22,773,281)</b>	<b>\$ (18,031,641)</b>	<b>\$ (32,625,148)</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Nine months ended September 30,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (18,031,641)	\$ (32,624,697)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	57,565	34,626
Non-cash interest expense	554,801	1,718,546
Non-cash lease expense	142,947	202,665
In-process research and development expense	7,000,000	—
Change in fair value of derivative liability	—	19,896,626
Stock-based compensation expense	498,012	720,014
Loss on debt conversion	—	341,136
Other non-cash	(165,609)	—
Changes in assets and liabilities:		
Prepaid expenses and other assets	794,398	(280,838)
Accounts payable and accrued expenses	(1,133,092)	2,044,901
Lease obligations	(143,834)	(202,338)
<b>Net cash used in operating activities</b>	<b>(10,426,453)</b>	<b>(8,149,359)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(55,488)	(2,067)
Payment of reverse asset acquisition costs	—	(2,334,063)
<b>Net cash used in investing activities</b>	<b>(55,488)</b>	<b>(2,336,130)</b>
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(17,892)	(16,985)
Proceeds from issuance of common stock	26,692,377	999,832
Payment of equity issuance costs	(1,083,990)	(649,254)
Proceeds from issuance of debt	921,415	6,800,000
Payments of debt issuance costs	(5,740)	(122,262)
Repayments of debt	(4,362,271)	(5,290,000)
Proceeds from Pre-Merger Financing	—	22,437,537
<b>Net cash provided by financing activities</b>	<b>22,143,899</b>	<b>24,158,868</b>
<b>Effect of changes in exchange rate on cash</b>	<b>—</b>	<b>—</b>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>11,661,958</b>	<b>13,673,379</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>7,595,068</b>	<b>1,778,613</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 19,257,026</b>	<b>\$ 15,451,992</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Issuance of Warrant Exchange Promissory Notes	\$ 5,625,000	\$ —
Obligation settled with common stock	\$ 331,218	\$ —
Conversion of convertible notes	\$ —	\$ 13,979,788
Right-of-use asset related to operating leases	\$ —	\$ 470,356
Equity issuance costs	\$ 25,000	\$ 1,150,000
Reverse asset acquisition costs	\$ —	\$ 2,711,431

114. The statements in ¶¶ 113-114 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 114 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

**2020 10-K**

115. On March 19, 2021, the Company filed with the SEC its Form 10-K for the 2020 Fiscal Year (the “2020 10-K”). The 2020 10-K was signed by Defendants Musunuri, Subramanian Kumar, Zhang, Kompella, Potti, Castillo, and Fernandes and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of the 2020 10-K.

116. The 2020 10-K stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2020.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.* In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

117. The 2020 10-K contained the following misleading financial statements:

**Results of Operations***Comparison of the Years Ended December 31, 2020 and 2019*

The following table summarizes the results of our operations for the years ended December 31, 2020 and 2019:

(in thousands)	Year ended December 31,		Change
	2020	2019	
<b>Revenues</b>			
Collaboration revenue	\$ 43	\$ —	\$ 43
<b>Total revenues</b>	<b>43</b>	<b>—</b>	<b>43</b>
<b>Operating expenses</b>			
Research and development	\$ 6,353	\$ 8,086	\$ (1,733)
In-process research and development	7,000	—	7,000
General and administrative	7,974	6,077	1,897
<b>Total operating expenses</b>	<b>21,327</b>	<b>14,163</b>	<b>7,164</b>
<b>Loss from operations</b>	<b>(21,284)</b>	<b>(14,163)</b>	<b>(7,121)</b>
<b>Other income (expense)</b>			
Change in fair value of derivative liabilities	—	(3,187)	3,187
Loss on debt conversion	—	(341)	341
Interest income	1	1	—
Interest expense	(721)	(1,768)	1,047
<b>Other income (expense)</b>	<b>183</b>	<b>(785)</b>	<b>968</b>
<b>Total other income (expense)</b>	<b>(537)</b>	<b>(6,080)</b>	<b>5,543</b>
<b>Net loss</b>	<b>\$ (21,821)</b>	<b>\$ (20,243)</b>	<b>\$ (1,578)</b>

**OCUGEN, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

	Year ended December 31,	
	2020	2019
<b>Revenues</b>		
Collaboration revenue	\$ 42,620	\$ —
<b>Total revenues</b>	<b>42,620</b>	<b>—</b>
<b>Operating expenses</b>		
Research and development	6,353,287	8,085,522
In-process research and development	7,000,000	—
General and administrative	7,974,050	6,077,097
<b>Total operating expenses</b>	<b>21,327,337</b>	<b>14,162,619</b>
<b>Loss from operations</b>	<b>(21,284,717)</b>	<b>(14,162,619)</b>
<b>Other income (expense)</b>		
Change in fair value of derivative liabilities	—	(3,187,380)
Loss on debt conversion	—	(341,136)
Interest income	1,065	1,214
Interest expense	(720,963)	(1,767,836)
<b>Other income (expense)</b>	<b>182,662</b>	<b>(784,873)</b>
<b>Total other income (expense)</b>	<b>(537,236)</b>	<b>(6,080,011)</b>
<b>Net loss</b>	<b>\$ (21,821,953)</b>	<b>\$ (20,242,630)</b>
Deemed dividend related to Warrant Exchange	(12,546,340)	—
<b>Net loss to common stockholders</b>	<b>\$ (34,368,293)</b>	<b>\$ (20,242,630)</b>
 Shares used in calculating net loss per common share — basic and diluted	 112,236,110	 13,893,819
<b>Net loss per share of common stock — basic and diluted</b>	<b>\$ (0.31)</b>	<b>\$ (1.46)</b>
 <b>Net loss</b>	 <b>\$ (21,821,953)</b>	 <b>\$ (20,242,630)</b>
<b>Other comprehensive income (loss)</b>		
Foreign currency translation adjustment	—	(451)
<b>Comprehensive loss</b>	<b>\$ (21,821,953)</b>	<b>\$ (20,243,081)</b>

**OCUGEN, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	December 31, 2020	December 31, 2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 24,039,325	\$ 7,444,052
Prepaid expenses and other current assets	1,838,357	1,322,167
Asset held for sale	—	7,000,000
Total current assets	25,877,682	15,766,219
Property and equipment, net	632,967	222,464
Restricted cash	151,226	151,016
Other assets	714,477	667,747
<b>Total assets</b>	<b>\$ 27,376,352</b>	<b>\$ 16,807,446</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 395,034	\$ 1,895,613
Accrued expenses	2,930,395	2,270,045
Short-term debt, net	234,119	—
Operating lease obligation	44,248	172,310
Other current liabilities	9,755	205,991
Total current liabilities	3,613,551	4,543,959
Non-current liabilities		
Operating lease obligation, less current portion	389,317	163,198
Long term debt, net	1,823,043	1,072,123
Other non-current liabilities	—	9,755
Total non-current liabilities	2,212,360	1,245,076
<b>Total liabilities</b>	<b>5,825,911</b>	<b>5,789,035</b>
Commitments and contingencies (Note 15)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized; seven issued and outstanding shares at December 31, 2020 and 2019	—	—
Common stock; \$0.01 par value; 200,000,000 authorized; 184,133,384 and 52,746,728 shares issued at December 31, 2020 and 2019, respectively; 184,011,884 and 52,625,228 shares outstanding at December 31, 2020 and 2019, respectively	1,841,334	527,467
Treasury Stock, at cost, 121,500 shares at December 31, 2020 and 2019	(47,864)	(47,864)
Additional paid-in capital	93,058,748	62,018,632
Accumulated deficit	(73,301,777)	(51,479,824)
<b>Total stockholders' equity</b>	<b>21,550,441</b>	<b>11,018,411</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 27,376,352</b>	<b>\$ 16,807,446</b>

118. The statements in ¶¶ 116-117 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the year. Specifically, ¶ 117 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

*May 7, 2021 Form 10-Q*

119. On May 7, 2021, the Company filed with the SEC its Form 10-Q for the period ended March 31, 2021 (the “1Q 2021 10-Q”). The 1Q 2021 10-Q was signed by Defendants Musunuri and Subramanian and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of the 1Q 2021 10-Q.

120. The 1Q 2021 10-Q stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of March 31, 2021.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.* In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

121. The 1Q 2021 10-Q contained the following misleading financial statements:



OCUGEN, INC.  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended March 31,	
	2021	2020
Operating expenses		
Research and development	\$ 2,872	\$ 1,652
General and administrative	4,185	2,277
Total operating expenses	7,057	3,929
Loss from operations	(7,057)	(3,929)
Other income (expense)		
Interest expense	(20)	(15)
Total other income (expense)	(20)	(15)
Net loss and comprehensive loss	\$ (7,077)	\$ (3,944)
Shares used in calculating net loss per common share — basic and diluted	186,298,122	52,627,228
Net loss per share of common stock — basic and diluted	\$ (0.04)	\$ (0.07)

OCUGEN, INC.  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Three months ended March 31,	
	2021	2020
<b>Cash flows from operating activities</b>		
Net loss	\$ (7,077)	\$ (3,944)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	44	18
Non-cash interest expense	20	15
Non-cash lease expense	68	48
Stock-based compensation expense	833	222
Changes in assets and liabilities:		
Prepaid expenses and other assets	493	228
Accounts payable and accrued expenses	405	(1,225)
Lease obligations	(69)	(48)
<b>Net cash used in operating activities</b>	<b>(5,283)</b>	<b>(4,686)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(261)	(53)
<b>Net cash used in investing activities</b>	<b>(261)</b>	<b>(53)</b>
<b>Cash flows from financing activities</b>		
Financing lease principal payments	(6)	(6)
Proceeds from issuance of common stock	28,125	—
Payment of equity issuance costs	(1,822)	—
Proceeds from issuance of debt	—	500
Payments of debt issuance costs	—	(6)
<b>Net cash provided by financing activities</b>	<b>26,297</b>	<b>488</b>
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>20,753</b>	<b>(4,251)</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>24,190</b>	<b>7,595</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 44,943</b>	<b>\$ 3,344</b>
<b>Supplemental disclosure of non-cash transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ 4,988	\$ —
Equity issuance costs	\$ 108	\$ —
Purchase of property and equipment	\$ 44	\$ —
Right-of-use asset related to operating leases	\$ 926	\$ —



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	March 31, 2021	December 31, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 44,792	\$ 24,039
Advance for COVAXIN supply	4,988	—
Prepaid expenses and other current assets	1,576	1,839
Total current assets	51,356	25,878
Property and equipment, net	762	633
Restricted cash	151	151
Other assets	1,578	714
<b>Total assets</b>	<b>\$ 53,847</b>	<b>\$ 27,376</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 1,040	\$ 395
Accrued expenses and other current liabilities	2,703	2,941
Short-term debt, net	374	234
Operating lease obligation	164	44
Total current liabilities	4,281	3,614
Non-current liabilities		
Operating lease obligation, less current portion	1,375	389
Long term debt, net	1,702	1,823
Total non-current liabilities	3,077	2,212
Total liabilities	7,358	5,826
Commitments and contingencies (Note 11)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at March 31, 2021 and December 31, 2020		
Series A; seven issued and outstanding at March 31, 2021 and December 31, 2020	—	—
Series B; 54,745 and zero issued and outstanding at March 31, 2021 and December 31, 2020, respectively	1	—
Common stock; \$0.01 par value; 200,000,000 authorized; 188,277,852 and 184,133,384 shares issued at March 31, 2021 and December 31, 2020, respectively; 188,156,352 and 184,011,884 shares outstanding at March 31, 2021 and December 31, 2020, respectively	1,883	1,841
Treasury stock, at cost, 121,500 shares at March 31, 2021 and December 31, 2020	(48)	(48)
Additional paid-in capital	125,032	93,059
Accumulated deficit	(80,379)	(73,302)
Total stockholders' equity	46,489	21,550
<b>Total liabilities and stockholders' equity</b>	<b>\$ 53,847</b>	<b>\$ 27,376</b>

122. The statements in ¶¶ 120-121 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 121 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

*August 6, 2021 Form 10-Q*

123. On August 6, 2021, the Company filed with the SEC its Form 10-Q for the period ended June 30, 2021 (the “2Q 2021 10-Q”). The 2Q 2021 10-Q was signed by Defendants Musunuri and Subramanian and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of the 2Q 2021 10-Q.

124. The 2Q 2021 10-Q stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of June 30, 2021.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (b)* such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added)

125. The 2Q 2021 10-Q contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	June 30, 2021	December 31, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 115,642	\$ 24,039
Advance for COVAXIN supply	4,988	—
Prepaid expenses and other current assets	996	1,839
Total current assets	121,626	25,878
Property and equipment, net	944	633
Restricted cash	151	151
Other assets	1,530	714
<b>Total assets</b>	<b>\$ 124,251</b>	<b>\$ 27,376</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 802	\$ 395
Accrued expenses and other current liabilities	3,870	2,941
Short-term debt, net	—	234
Operating lease obligation	168	44
Total current liabilities	4,840	3,614
Non-current liabilities		
Operating lease obligation, less current portion	1,328	389
Long term debt, net	1,674	1,823
Total non-current liabilities	3,002	2,212
<b>Total liabilities</b>	<b>7,842</b>	<b>5,826</b>
Commitments and contingencies (Note 13)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at June 30, 2021 and December 31, 2020		
Series A; seven issued and outstanding at June 30, 2021 and December 31, 2020	—	—
Series B; 54,745 and zero issued and outstanding at June 30, 2021 and December 31, 2020, respectively	1	—
Common stock; \$0.01 par value; 295,000,000 and 200,000,000 shares authorized, 198,816,745 and 184,133,384 shares issued, and 198,695,245 and 184,011,884 shares outstanding at June 30, 2021 and December 31, 2020, respectively	1,988	1,841
Treasury stock, at cost, 121,500 shares at June 30, 2021 and December 31, 2020	(48)	(48)
Additional paid-in capital	220,799	93,059
Accumulated deficit	(106,331)	(73,302)
<b>Total stockholders' equity</b>	<b>116,409</b>	<b>21,550</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 124,251</b>	<b>\$ 27,376</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Six months ended June 30,	
	2021	2020
<b>Cash flows from operating activities</b>		
Net loss	\$ (33,029)	\$ (7,558)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	93	38
Non-cash interest expense	40	263
Non-cash lease expense	134	95
Stock-based compensation expense	2,928	371
Gain on forgiveness of PPP Note	(426)	—
Impairment on note receivable	758	—
Other non-cash	—	(166)
Changes in assets and liabilities:		
Prepaid expenses and other assets	965	500
Accounts payable and accrued expenses	1,483	(1,220)
Other assets	100	—
Lease obligations	(130)	(96)
<b>Net cash used in operating activities</b>	<b>(27,084)</b>	<b>(7,773)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(524)	(34)
Issuance of note receivable	(750)	—
<b>Net cash used in investing activities</b>	<b>(1,274)</b>	<b>(34)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	128,496	16,161
Payment of equity issuance costs	(8,525)	(593)
Proceeds from issuance of debt	—	921
Payments of debt issuance costs	—	(6)
Repayments of debt	—	(1,140)
Financing lease principal payments	(10)	(12)
<b>Net cash provided by financing activities</b>	<b>119,961</b>	<b>15,331</b>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>91,603</b>	<b>7,524</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>24,190</b>	<b>7,595</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 115,793</b>	<b>\$ 15,119</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ 4,988	\$ —
Exercise of Warrants	\$ 603	\$ —
Forgiveness of PPP Note	\$ 426	\$ —
Issuance of Warrant Exchange Promissory Notes	\$ —	\$ 5,625
Obligation settled with common stock	\$ —	\$ 331
Equity issuance costs	\$ —	\$ 130
Purchase of property and equipment	\$ 78	\$ —
Right-of-use asset related to operating leases	\$ 926	\$ —

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenues				
Collaboration revenue	\$ —	\$ 43	\$ —	\$ 43
Total revenues	—	43	—	43
Operating expenses				
Research and development	18,853	1,630	21,725	3,282
General and administrative	6,757	1,779	10,942	4,056
Total operating expenses	25,610	3,409	32,667	7,338
Loss from operations	(25,610)	(3,366)	(32,667)	(7,295)
Other income (expense)				
Interest income	10	—	10	—
Interest expense	(20)	(248)	(40)	(263)
Other income (expense)	(332)	—	(332)	—
Total other income (expense)	(342)	(248)	(362)	(263)
Net loss and comprehensive loss	\$ (25,952)	\$ (3,614)	\$ (33,029)	\$ (7,558)
Deemed dividend related to Warrant Exchange	—	(12,546)	—	(12,546)
Net loss to common stockholders	\$ (25,952)	\$ (16,160)	\$ (33,029)	\$ (20,104)
Shares used in calculating net loss per common share — basic and diluted	195,572,189	83,537,463	190,960,775	68,082,346
Net loss per share of common stock — basic and diluted	\$ (0.13)	\$ (0.19)	\$ (0.17)	\$ (0.30)

126. The statements in ¶¶ 124-125 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 125 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

***November 9, 2021 Form 10-Q***

127. On November 9, 2021, the Company filed with the SEC its Form 10-Q for the period ended September 30, 2021 (the “3Q 2021 10-Q”). The 3Q 2021 10-Q was signed by Defendants Musunuri and Subramanian and attached certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of the 3Q 2021 10-Q.

128. The 3Q 2021 10-Q stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of June 30, 2021.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.* In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

129. The 3Q 2021 10-Q contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	September 30, 2021	December 31, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 107,349	\$ 24,039
Advance for COVAXIN supply	4,988	—
Prepaid expenses and other current assets	1,113	1,839
Total current assets	113,450	25,878
Property and equipment, net	1,052	633
Restricted cash	151	151
Other assets	1,659	714
<b>Total assets</b>	<b>\$ 116,312</b>	<b>\$ 27,376</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 2,095	\$ 395
Accrued expenses and other current liabilities	3,962	2,941
Short-term debt, net	—	234
Operating lease obligation	172	44
Total current liabilities	6,229	3,614
Non-current liabilities		
Operating lease obligation, less current portion	1,280	389
Long term debt, net	1,693	1,823
Total non-current liabilities	2,973	2,212
<b>Total liabilities</b>	<b>9,202</b>	<b>5,826</b>
<b>Commitments and contingencies (Note 13)</b>		
<b>Stockholders' equity</b>		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at September 30, 2021 and December 31, 2020		
Series A; seven issued and outstanding at September 30, 2021 and December 31, 2020	—	—
Series B; 54,745 and zero issued and outstanding at September 30, 2021 and December 31, 2020, respectively	1	—
Common stock; \$0.01 par value; 295,000,000 and 200,000,000 shares authorized, 199,049,329 and 184,133,384 shares issued, and 198,927,829 and 184,011,884 shares outstanding at September 30, 2021 and December 31, 2020, respectively	1,990	1,841
Treasury stock, at cost, 121,500 shares at September 30, 2021 and December 31, 2020	(48)	(48)
Additional paid-in capital	222,253	93,059
Accumulated deficit	(117,086)	(73,302)
<b>Total stockholders' equity</b>	<b>107,110</b>	<b>21,550</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 116,312</b>	<b>\$ 27,376</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenues				
Collaboration revenue	\$ —	\$ —	\$ —	\$ 43
Total revenues	—	—	—	43
Operating expenses				
Research and development	6,281	1,478	28,006	4,760
In-process research and development	—	7,000	—	7,000
General and administrative	4,508	1,704	15,450	5,760
Total operating expenses	10,789	10,182	43,456	17,520
Loss from operations	(10,789)	(10,182)	(43,456)	(17,477)
Other income (expense)				
Interest income	5	—	15	—
Interest expense	(19)	(292)	(59)	(555)
Other income (expense)	(4)	—	(336)	—
Total other income (expense)	(18)	(292)	(380)	(555)
Loss before income taxes	(10,807)	(10,474)	(43,836)	(18,032)
Income tax benefit	(52)	—	(52)	—
Net loss and comprehensive loss	\$ (10,755)	\$ (10,474)	\$ (43,784)	\$ (18,032)
Deemed dividend related to Warrant Exchange	—	—	—	(12,546)
Net loss to common stockholders	\$ (10,755)	\$ (10,474)	\$ (43,784)	\$ (30,578)
Shares used in calculating net loss per common share — basic and diluted	198,790,980	141,591,218	193,599,525	92,764,157
Net loss per share of common stock — basic and diluted	\$ (0.05)	\$ (0.07)	\$ (0.23)	\$ (0.33)



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Nine months ended September 30,	
	2021	2020
<b>Cash flows from operating activities</b>		
Net loss	\$ (43,784)	\$ (18,032)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	151	58
Non-cash interest expense	59	555
Non-cash lease expense	200	143
In-process research and development expense	—	7,000
Stock-based compensation expense	4,275	497
Income tax benefit	(52)	—
Gain on forgiveness of PPP Note	(426)	—
Impairment on note receivable	761	—
Other non-cash	—	(166)
Changes in assets and liabilities:		
Prepaid expenses and other assets	845	796
Accounts payable and accrued expenses	2,925	(1,133)
Other assets	100	—
Lease obligations	(191)	(144)
<b>Net cash used in operating activities</b>	<b>(35,137)</b>	<b>(10,426)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(747)	(56)
Asset acquisition	(127)	—
Issuance of note receivable	(750)	—
<b>Net cash used in investing activities</b>	<b>(1,624)</b>	<b>(56)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	128,606	26,693
Payment of equity issuance costs	(8,525)	(1,084)
Proceeds from issuance of debt	—	921
Payments of debt issuance costs	—	(6)
Repayments of debt	—	(4,362)
Financing lease principal payments	(10)	(18)
<b>Net cash provided by financing activities</b>	<b>120,071</b>	<b>22,144</b>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>83,310</b>	<b>11,662</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>24,190</b>	<b>7,595</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 107,500</b>	<b>\$ 19,257</b>

130. The statements in ¶¶ 128-129 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 129 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

***The 2021 10-K***

131. On February 28, 2022, the Company filed with the SEC its Form 10-K for the 2021 Fiscal Year (the “2021 10-K”). The 2021 10-K was signed by Defendants Musunuri, Subramanian, Kumar, Zhang, Kompella, Potti, Castillo, and Fernandes and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Subramanian attesting to the accuracy of the 2021 10-K.

132. The 2021 10-K stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of December 31, 2021.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.* In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

133. The 2021 10-K contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)

	As of December 31,	
	2021	2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 94,958	\$ 24,039
Advance for COVAXIN supply	4,988	—
Prepaid expenses and other current assets	2,700	1,839
Total current assets	102,646	25,878
Property and equipment, net	1,164	633
Restricted cash	151	151
Other assets	1,800	714
<b>Total assets</b>	<b>\$ 105,761</b>	<b>\$ 27,376</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 2,312	\$ 395
Accrued expenses and other current liabilities	4,325	2,941
Short-term debt, net	—	234
Operating lease obligations	363	44
Total current liabilities	7,000	3,614
Non-current liabilities		
Operating lease obligations, less current portion	1,231	389
Long term debt, net	1,712	1,823
Total non-current liabilities	2,943	2,212
<b>Total liabilities</b>	<b>9,943</b>	<b>5,826</b>
Commitments and contingencies (Note 14)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at December 31, 2021 and 2020		
Series A; seven issued and outstanding at December 31, 2021 and 2020	—	—
Series B; 54,745 and zero issued and outstanding at December 31, 2021 and 2020, respectively	1	—
Common stock; \$0.01 par value; 295,000,000 and 200,000,000 authorized; 199,502,183 and 184,133,384 shares issued, and 199,380,683 and 184,011,884 shares outstanding at December 31, 2021 and 2020, respectively	1,995	1,841
Treasury Stock, at cost, 121,500 shares at December 31, 2021 and 2020	(48)	(48)
Additional paid-in capital	225,537	93,059
Accumulated deficit	(131,667)	(73,302)
<b>Total stockholders' equity</b>	<b>95,818</b>	<b>21,550</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 105,761</b>	<b>\$ 27,376</b>

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)

	Year ended December 31,		
	2021	2020	2019
Revenues			
Collaboration revenue	\$ —	\$ 43	\$ —
Total revenues	—	43	—
Operating expenses			
Research and development	35,108	6,354	8,086
In-process research and development	—	7,000	—
General and administrative	22,920	7,974	6,077
Total operating expenses	58,028	21,328	14,163
Loss from operations	(58,028)	(21,285)	(14,163)
Other income (expense)			
Change in fair value of derivative liabilities	—	—	(3,187)
Loss on debt conversion	—	—	(341)
Interest expense	(79)	(721)	(1,768)
Other income (expense)	(310)	184	(784)
Total other income (expense)	(389)	(537)	(6,080)
Loss before income taxes	(58,417)	(21,822)	(20,243)
Income tax benefit	(52)	—	—
Net loss and comprehensive income	\$ (58,365)	\$ (21,822)	\$ (20,243)
Deemed dividend related to Warrant Exchange	—	(12,546)	—
Net loss to common stockholders	\$ (58,365)	\$ (34,368)	\$ (20,243)
Shares used in calculating net loss per share attributable to common stockholders			
— basic and diluted	195,013,043	112,236,110	13,893,819
Net loss per share attributable to common stockholders — basic and diluted	\$ (0.30)	\$ (0.31)	\$ (1.46)

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Year ended December 31,		
	2021	2020	2019
<b>Cash flows from operating activities</b>			
Net loss	\$ (58,365)	\$ (21,822)	\$ (20,243)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	229	102	61
Non-cash interest expense	78	721	1,734
Non-cash lease expense	360	189	250
In-process research and development expense	—	7,000	—
Change in fair value of derivative liability	—	—	3,187
Stock-based compensation expense	6,958	660	884
Loss on debt conversion	—	—	341
Income tax benefit	(52)	—	—
Gain on forgiveness of PPP Note	(426)	—	—
Impairment on note receivable	761	—	—
Other non-cash	26	(349)	5
Changes in assets and liabilities:			
Prepaid expenses and other current assets	(742)	(370)	(1,007)
Accounts payable and accrued expenses	3,498	(541)	(1,629)
Other assets	100	(104)	(227)
Lease obligations	(366)	(195)	(249)
<b>Net cash used in operating activities</b>	<b>(47,941)</b>	<b>(14,709)</b>	<b>(16,893)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	(939)	(307)	(30)
Payments for asset acquisitions	(127)	—	(2,327)
Issuance of note receivable	(750)	—	—
<b>Net cash used in investing activities</b>	<b>(1,816)</b>	<b>(307)</b>	<b>(2,357)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of common stock	129,211	37,822	1,183
Payment of equity issuance costs	(8,525)	(1,477)	—
Purchases of treasury stock	—	—	(48)
Proceeds from Pre-Merger Financing	—	—	22,546
Proceeds from issuance of debt	—	921	6,800
Payments of debt issuance costs	—	(6)	(99)
Repayments of debt	—	(5,625)	(5,290)
Financing lease principal payments	(10)	(24)	(26)
<b>Net cash provided by financing activities</b>	<b>120,676</b>	<b>31,611</b>	<b>25,066</b>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>70,919</b>	<b>16,595</b>	<b>5,816</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>24,190</b>	<b>7,595</b>	<b>1,779</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 95,109</b>	<b>\$ 24,190</b>	<b>\$ 7,595</b>

134. The statements in ¶¶ 132-133 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the year. Specifically, ¶ 133 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

***2022 Proxy Statement***

135. On April 28, 2022, the Company filed with the SEC its 2022 Proxy Statement. Defendants Musunuri, Kumar, Zhang, Kompella, Whittington, Castillo, Fernandes, and Potti solicited the 2022 Proxy Statement, filed pursuant to Section 14(a) of the Exchange Act, which contained material misstatements and omissions.

136. The 2022 Proxy Statement solicited shareholders to, *inter alia*: (1) reelect Defendants Kompella and Whittington to the Board; and (2) ratify the selection of Ernst & Young as the Company's Independent Registered Public Accounting Firm for the 2022 Fiscal Year.

137. Regarding the Company's Code of Ethics, the 2022 Proxy Statement provided, in relevant part:

We have a written Code of Conduct that applies to our directors and employees, including our executive officers. The Code of Conduct covers fundamental ethical and compliance-related principles and practices such as accurate accounting records and financial reporting, avoiding conflicts of interest, protection and use of our property, compliance with legal and regulatory requirements, and internal reporting procedures for violations of the Code of Conduct. The Code of Conduct is available on our website at [www.ocugen.com](http://www.ocugen.com) and any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website or in a Current Report on Form 8-K, which we will file with the SEC.

Only the Board may waive any specific provisions of the Code of Conduct for directors and executive officers. The Chief Accounting Officer and Senior Vice President, Finance, has been designated as the Compliance Officer, and may waive any specific provision of this Code of Conduct for employees other than a director and executive officer. In the event of an approved waiver involving the conduct of a director or executive officer, appropriate and prompt disclosure, including disclosure of the reasons for the waiver, must be made to our stockholders as required by applicable laws and stock exchange rules. The Audit Committee shall be responsible for monitoring compliance with the Code of Conduct and shall assess the adequacy of the Code of Conduct periodically and recommend any changes to the Code of Conduct to the Board for approval.

138. Regarding the Board's role in "Risk Oversight," the 2022 Proxy Statement provided, in relevant part:

Our Board's role in risk oversight is consistent with our leadership structure, with management having day-to-day responsibility for assessing and managing our risk exposure and our Board actively overseeing management of our risks — both at the

Board and Committee level. The risk oversight process includes receiving regular reports from each of the Committees and our executive officers to enable our Board to understand our risk identification, risk management, and risk mitigation strategies with respect to areas of potential material risk, including operations (including cyber-security), finance, legal, regulatory, strategic, and reputational risk.

Our Board focuses on the overall risks affecting us. Each Committee has been delegated the responsibility for the oversight of specific risks that fall within its area of responsibility. For example:

- The Audit Committee of our Board ("Audit Committee") oversees management of financial reporting, compliance, and litigation risks, including risks related to our insurance, information technology, cybersecurity, human resources, and regulatory matters, as well as the steps management has taken to monitor and control such exposures.
- The Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation policies, plans, and arrangements and the extent to which those policies, plans, and arrangements increase or decrease our risk.
- The Nominating and Corporate Governance Committee manages risks associated with the independence of our Board, potential conflicts of interest, and the effectiveness of our Board.
- The Science and Technology Committee is responsible for overseeing and assessing business development opportunities to further diversify, strengthen, and unify our product portfolio.

While each Committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through Committee reports about such risks. Matters of significant strategic risk are considered by our entire Board.

139. Regarding the Audit Committee's responsibilities, the 2022 Proxy Statement provided, in relevant part:

The Audit Committee assists our Board by providing oversight of our financial management, Independent Registered Public Accounting Firm, and accounting and financial reporting processes, as well as other matters as directed by the Board or the Audit Committee Charter.

Among other things, the Audit Committee's responsibilities include:

- having sole discretion and direct responsibility for appointing, evaluating, retaining, compensating, overseeing, evaluating, and, when necessary, terminating our engagement with our Independent Registered Public Accounting Firm;
- discussing with management and the Independent Registered Public Accounting Firm our annual and quarterly financial statements and related disclosures and pre-approving all audit services;
- establishing and overseeing compliance with our procedures governing treatment of complaints concerning our accounting, internal accounting controls, or auditing matters, and submissions of confidential and anonymous employee concerns regarding accounting or auditing matters;
- reviewing our Code of Conduct, including assessing the adequacy of the Code of Conduct and recommending any proposed changes to the Board, and our compliance with applicable legal requirements, as well as any litigation or material government investigations, and making corresponding reports to the Board;
- overseeing our risk assessment and risk management processes and the guidelines and procedures to implement such processes;
- reviewing and ratifying all related person transactions, based on the standards set forth in our Related Party Transactions Policy; and
- preparing the Audit Committee Report required to be included in our annual proxy statement.

The members of our Audit Committee are Dr. Kumar (Chair), Dr. Fernandes, and Mr. Potti. All members of our Audit Committee are deemed "independent" and financially literate under the applicable rules and regulations of the SEC and Nasdaq. Dr. Kumar and Mr. Potti also qualify as an "audit committee financial expert" within the meaning of SEC regulations.

140. Defendants Musunuri, Kumar, Zhang, Kompella, Whittington, Castillo, Fernandes, and Potti caused the 2022 Proxy Statement to be false and misleading by failing to disclose, *inter alia*, that: (1) the Company's financial statements from May 8, 2020 to April 1, 2024, including important financial metrics such as collaborative arrangement revenue, research and development expenses, other income (expense), net and accrued expenses and other current liabilities, were materially false and misleading; (2) the Company did not have adequate internal controls over



financial reporting; (3) as a result, the Company would have to restate its financial statements, at great cost to the Company, for the entire fiscal year ended December 31, 2022 (the “2022 Fiscal Year”), for each of the first three quarters of the 2023 Fiscal Year, and for each of the quarters of the 2022 Fiscal Year. As a result, Ocugen’s statements were materially false and misleading at all relevant times.

141. The 2022 Proxy Statement was materially false and misleading because, despite assertions to the contrary, the Company’s Code of Ethics was not followed, as evidenced by the Individual Defendants (1) making and/or causing the Company to make the numerous false and misleading statements and omissions alleged herein; and (2) failing to report violations of the Code of Ethics. Further, the 2022 Proxy Statement was materially false and misleading because, despite assertions to the contrary, the Board was not adequately performing its risk oversight functions.

142. As a result of Defendants Musunuri, Kumar, Zhang, Kompella, Whittington, Castillo, Fernandes, and Potti causing the 2022 Proxy Statement to be false and misleading, Company shareholders voted, *inter alia*, to reelect Defendants Kompella and Whittington to the Board, allowing them to continue to breach their fiduciary duties to the Company.

***The May 6, 2022 Form 10-Q***

143. On May 6, 2022, the Company filed with the SEC its Form 10-Q for the period ended March 31, 2022 (the “1Q 2022 10-Q”). The 1Q 2022 10-Q was signed by Defendants Musunuri and Crespo and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Crespo attesting to the accuracy of the 1Q 2022 10-Q.

144. The 1Q 2022 10-Q stated the following regarding Ocugen’s internal controls:

***We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e))***

*under the Exchange Act), as of March 31, 2022.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.* In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

145. The 1Q 2022 10-Q contained the following misleading financial statements:

OCUGEN, INC.		
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS		
(in thousands, except share and per share amounts)		
(Unaudited)		
	Three months ended March 31,	
	2022	2021
Operating expenses		
Research and development	\$ 7,915	\$ 2,872
General and administrative	10,119	4,185
Total operating expenses	18,034	7,057
Loss from operations	(18,034)	(7,057)
Other income (expense), net	15	(20)
Net loss and comprehensive loss	\$ (18,019)	\$ (7,077)
Shares used in calculating net loss per common share — basic and diluted	205,693,498	186,298,122
Net loss per share of common stock — basic and diluted	\$ (0.09)	\$ (0.04)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	March 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 129,771	\$ 94,958
Prepaid expenses and other current assets	8,256	7,688
Total current assets	138,027	102,646
Property and equipment, net	1,921	1,164
Restricted cash	151	151
Other assets	1,628	1,800
<b>Total assets</b>	<b>\$ 141,727</b>	<b>\$ 105,761</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 3,896	\$ 2,312
Accrued expenses	3,537	4,325
Operating lease obligations	254	363
Total current liabilities	7,687	7,000
Non-current liabilities		
Operating lease obligations, less current portion	1,180	1,231
Long term debt, net	1,731	1,712
Total non-current liabilities	2,911	2,943
<b>Total liabilities</b>	<b>10,598</b>	<b>9,943</b>
Commitments and contingencies (Note 12)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at March 31, 2022 and December 31, 2021		
Series A; seven issued and outstanding at March 31, 2022 and December 31, 2021	—	—
Series B; 54,745 issued and outstanding at March 31, 2022 and December 31, 2021	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 215,752,926 and 199,502,183 shares issued, and 215,631,426 and 199,380,683 shares outstanding at March 31, 2022 and December 31, 2021, respectively	2,158	1,995
Treasury stock, at cost, 121,500 shares at March 31, 2022 and December 31, 2021	(48)	(48)
Additional paid-in capital	278,704	225,537
Accumulated deficit	(149,686)	(131,667)
<b>Total stockholders' equity</b>	<b>131,129</b>	<b>95,818</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 141,727</b>	<b>\$ 105,761</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Three months ended March 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (18,019)	\$ (7,077)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	76	44
Non-cash interest expense	19	20
Non-cash lease expense	179	68
Stock-based compensation expense	3,299	833
Changes in assets and liabilities:		
Prepaid expenses and other assets	(575)	493
Accounts payable and accrued expenses	131	405
Lease obligations	(176)	(69)
<b>Net cash used in operating activities</b>	<b>(15,066)</b>	<b>(5,283)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(223)	(261)
<b>Net cash used in investing activities</b>	<b>(223)</b>	<b>(261)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	50,177	28,125
Payment of equity issuance costs	(75)	(1,822)
Financing lease principal payments	—	(6)
<b>Net cash provided by financing activities</b>	<b>50,102</b>	<b>26,297</b>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>34,813</b>	<b>20,753</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>95,109</b>	<b>24,190</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 129,922</b>	<b>\$ 44,943</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ —	\$ 4,988
Purchase of property and equipment	\$ 611	\$ 44
Right-of-use asset related to operating leases	\$ —	\$ 926
Equity issuance costs	\$ 71	\$ 108

146. The statements in ¶¶ 144-145 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 145 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

***August 5, 2022, Form 10-Q***

147. On August 5, 2022, the Company filed with the SEC its Form 10-Q for the period ended June 30, 2022 (the “2Q 2022 10-Q”). The 2Q 2022 10-Q was signed by Defendants

Musunuri and Crespo and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Crespo attesting to the accuracy of the 2Q 2022 10-Q.

148. The 2Q 2022 10-Q stated the following regarding Ocugen's internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2022.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.* In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

149. The 2Q 2020 10-Q contained the following misleading financial statements:

OCUGEN, INC.				
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS				
(in thousands, except share and per share amounts)				
(Unaudited)				
	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Operating expenses				
Research and development	\$ 9,007	\$ 18,853	\$ 16,922	\$ 21,725
General and administrative	10,558	6,757	20,677	10,942
Total operating expenses	19,565	25,610	37,599	32,667
Loss from operations	(19,565)	(25,610)	(37,599)	(32,667)
Other income (expense), net	94	(342)	109	(362)
Net loss	\$ (19,471)	\$ (25,952)	\$ (37,490)	\$ (33,029)
Other comprehensive income (loss)				
Foreign currency translation adjustment	10	—	10	—
Comprehensive loss	\$ (19,461)	\$ (25,952)	\$ (37,480)	\$ (33,029)
Shares used in calculating net loss per common share — basic and diluted	215,862,977	195,572,189	210,806,330	190,960,775
Net loss per share of common stock — basic and diluted	\$ (0.09)	\$ (0.13)	\$ (0.18)	\$ (0.17)

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 115,005	\$ 94,958
Prepaid expenses and other current assets	7,564	7,688
Total current assets	122,569	102,646
Property and equipment, net	3,153	1,164
Restricted cash	—	151
Other assets	4,366	1,800
<b>Total assets</b>	<b>\$ 130,088</b>	<b>\$ 105,761</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 5,921	\$ 2,312
Accrued expenses	4,103	4,325
Operating lease obligations	314	363
Total current liabilities	10,338	7,000
Non-current liabilities		
Operating lease obligations, less current portion	3,892	1,231
Long term debt, net	1,750	1,712
Total non-current liabilities	5,642	2,943
<b>Total liabilities</b>	<b>15,980</b>	<b>9,943</b>
Commitments and contingencies (Note 12)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at June 30, 2022 and December 31, 2021		
Series A; zero and seven shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	—	—
Series B; 54,745 shares issued and outstanding at June 30, 2022 and December 31, 2021	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 216,271,262 and 199,502,183 shares issued, and 216,149,762 and 199,380,683 shares outstanding at June 30, 2022 and December 31, 2021, respectively	2,163	1,995
Treasury stock, at cost, 121,500 shares at June 30, 2022 and December 31, 2021	(48)	(48)
Additional paid-in capital	281,139	225,537
Accumulated other comprehensive income	10	—
Accumulated deficit	(169,157)	(131,667)
<b>Total stockholders' equity</b>	<b>114,108</b>	<b>95,818</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 130,088</b>	<b>\$ 105,761</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Six months ended June 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (37,490)	\$ (33,029)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	166	93
Non-cash interest expense	38	40
Non-cash lease expense	334	134
Stock-based compensation expense	5,378	2,928
Gain on forgiveness of Paycheck Protection Program note	—	(426)
Impairment on note receivable	—	758
Changes in assets and liabilities:		
Prepaid expenses and other assets	132	965
Accounts payable and accrued expenses	2,844	1,483
Lease obligations	(265)	(130)
Other assets	—	100
<b>Net cash used in operating activities</b>	<b>(28,863)</b>	<b>(27,084)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,589)	(524)
Issuance of note receivable	—	(750)
<b>Net cash used in investing activities</b>	<b>(1,589)</b>	<b>(1,274)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	50,586	128,496
Tax payments for net share settlement of restricted stock units	(48)	—
Payment of equity issuance costs	(200)	(8,525)
Financing lease principal payments	—	(10)
<b>Net cash provided by financing activities</b>	<b>50,338</b>	<b>119,961</b>
Effect of changes in exchange rate on cash, cash equivalents, and restricted cash	10	—
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>19,896</b>	<b>91,603</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>95,109</b>	<b>24,190</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 115,005</b>	<b>\$ 115,793</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Series B Convertible Preferred Stock issuance	\$ —	\$ 4,988
Exercise of warrants	\$ —	\$ 603
Forgiveness of Paycheck Protection Program note	\$ —	\$ 426
Equity issuance costs	\$ 69	\$ —
Purchase of property and equipment	\$ 491	\$ 78
Right-of-use asset related to operating leases	\$ 2,918	\$ 926

150. The statements in ¶¶ 148-149 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 149 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

*The November 8, 2022 Form 10-Q*

151. On November 8, 2022, the Company filed with the SEC its Form 10-Q for the period ended September 30, 2022 (the “3Q 2022 10-Q”). The 3Q 2022 10-Q was signed by Defendants Musunuri and Crespo and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Crespo attesting to the accuracy of the 3Q 2022 10-Q.

152. The 3Q 2022 10-Q stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of September 30, 2022. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, **our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms**, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

153. The 3Q 2022 10-Q contained the following misleading financial statements:



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	September 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 101,602	\$ 94,958
Prepaid expenses and other current assets	5,895	7,688
Total current assets	107,497	102,646
Property and equipment, net	4,517	1,164
Restricted cash	—	151
Other assets	4,225	1,800
<b>Total assets</b>	<b>\$ 116,239</b>	<b>\$ 105,761</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 6,460	\$ 2,312
Accrued expenses	8,004	4,325
Operating lease obligations	443	363
Total current liabilities	14,907	7,000
Non-current liabilities		
Operating lease obligations, less current portion	3,764	1,231
Long term debt, net	2,265	1,712
Total non-current liabilities	6,029	2,943
<b>Total liabilities</b>	<b>20,936</b>	<b>9,943</b>
<b>Commitments and contingencies (Note 12)</b>		
<b>Stockholders' equity</b>		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at September 30, 2022 and December 31, 2021		
Series A; zero and seven shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	—	—
Series B; 54,745 shares issued and outstanding at September 30, 2022 and December 31, 2021	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 216,809,937 and 199,502,183 shares issued, and 216,688,437 and 199,380,683 shares outstanding at September 30, 2022 and December 31, 2021, respectively	2,168	1,995
Treasury stock, at cost, 121,500 shares at September 30, 2022 and December 31, 2021	(48)	(48)
Additional paid-in capital	284,231	225,537
Accumulated other comprehensive income	30	—
Accumulated deficit	(191,079)	(131,667)
<b>Total stockholders' equity</b>	<b>95,303</b>	<b>95,818</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 116,239</b>	<b>\$ 105,761</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Operating expenses				
Research and development	\$ 15,622	\$ 6,281	\$ 32,544	\$ 28,006
General and administrative	7,497	4,508	28,174	15,450
Total operating expenses	23,119	10,789	60,718	43,456
Loss from operations	(23,119)	(10,789)	(60,718)	(43,456)
Other income (expense), net	1,197	(18)	1,306	(380)
Loss before income taxes	(21,922)	(10,807)	(59,412)	(43,836)
Income tax benefit	—	(52)	—	(52)
Net loss	\$ (21,922)	\$ (10,755)	\$ (59,412)	\$ (43,784)
Other comprehensive income (loss)				
Foreign currency translation adjustment	20	—	30	—
Comprehensive loss	\$ (21,902)	\$ (10,755)	\$ (59,382)	\$ (43,784)
Shares used in calculating net loss per common share — basic and diluted	216,591,011	198,790,980	212,755,746	193,599,525
Net loss per share of common stock — basic and diluted	\$ (0.10)	\$ (0.05)	\$ (0.28)	\$ (0.23)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Nine months ended September 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (59,412)	\$ (43,784)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	307	151
Non-cash interest expense	58	59
Non-cash lease expense	463	200
Stock-based compensation expense	7,873	4,275
Income tax benefit	—	(52)
Gain on forgiveness of Paycheck Protection Program note	—	(426)
Impairment on note receivable	—	761
Other	(673)	—
Changes in assets and liabilities:		
Prepaid expenses and other assets	1,888	845
Accounts payable and accrued expenses	6,592	2,925
Lease obligations	(261)	(191)
Other assets	—	100
<b>Net cash used in operating activities</b>	<b>(43,165)</b>	<b>(35,137)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(2,433)	(747)
Asset acquisition	—	(127)
Issuance of note receivable	—	(750)
Repayment of note receivable	761	—
<b>Net cash used in investing activities</b>	<b>(1,672)</b>	<b>(1,624)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	51,198	128,606
Tax payments for net share settlement of restricted stock units	(57)	—
Payment of equity issuance costs	(298)	(8,525)
Proceeds from issuance of debt	500	—
Payment of debt issuance costs	(43)	—
Financing lease principal payments	—	(10)
<b>Net cash provided by financing activities</b>	<b>51,300</b>	<b>120,071</b>
Effect of changes in exchange rate on cash, cash equivalents, and restricted cash	30	—
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<b>6,493</b>	<b>83,310</b>
Cash, cash equivalents, and restricted cash at beginning of period	95,109	24,190
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 101,602</b>	<b>\$ 107,500</b>

154. The statements in ¶¶ 152-153 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 153 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

*The 2022 10-K*

155. On February 28, 2023, the Company filed with the SEC its Form 10-K for the 2022 Fiscal Year (the “2022 10-K”). The 2022 10-K was signed by Defendants Musunuri, Crespo, Kumar, Zhang, Kompella, Castillo, Fernandes, and Whittington and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Crespo attesting to the accuracy of the 2022 10-K.

156. The 2022 10-K stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of December 31, 2022.* Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Annual Report on Form 10-K, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.* In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

157. The 2022 10-K contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)

	As of December 31,	
	2022	2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 77,563	\$ 94,958
Marketable securities	13,371	—
Prepaid expenses and other current assets	7,558	7,688
Total current assets	98,492	102,646
Property and equipment, net	6,053	1,164
Restricted cash	—	151
Other assets	4,087	1,800
<b>Total assets</b>	<b>\$ 108,632</b>	<b>\$ 105,761</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 8,062	\$ 2,312
Accrued expenses and other current liabilities	9,900	4,325
Operating lease obligations	498	363
Total current liabilities	18,460	7,000
Non-current liabilities		
Operating lease obligations, less current portion	3,587	1,231
Long term debt, net	2,289	1,712
Other non-current liabilities	244	—
Total non-current liabilities	6,120	2,943
Total liabilities	24,580	9,943
Commitments and contingencies (Note 15)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at December 31, 2022 and 2021		
Series A; zero and seven issued and outstanding at December 31, 2022 and 2021, respectively	—	—
Series B; 54,745 issued and outstanding at December 31, 2022 and 2021	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized; 221,721,182 and 199,502,183 shares issued, and 221,599,682 and 199,380,683 shares outstanding at December 31, 2022 and 2021, respectively	2,217	1,995
Treasury stock, at cost, 121,500 shares at December 31, 2022 and 2021	(48)	(48)
Additional paid-in capital	294,874	225,537
Accumulated other comprehensive income	26	—
Accumulated deficit	(213,018)	(131,667)
Total stockholders' equity	84,052	95,818
<b>Total liabilities and stockholders' equity</b>	<b>\$ 108,632</b>	<b>\$ 105,761</b>

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)

	Year ended December 31,	
	2022	2021
Operating expenses		
Research and development	\$ 49,757	\$ 35,108
General and administrative	35,111	22,920
Total operating expenses	84,868	58,028
Loss from operations	(84,868)	(58,028)
Other income (expense), net	3,517	(389)
Loss before income taxes	(81,351)	(58,417)
Income tax benefit	—	(52)
Net loss	\$ (81,351)	\$ (58,365)
Other comprehensive income (loss)		
Foreign currency translation adjustment	25	—
Unrealized gain (loss) on marketable securities	1	—
Comprehensive loss	\$ (81,325)	\$ (58,365)
Shares used in calculating net loss per common share — basic and diluted	214,600,051	195,013,043
Net loss per common share — basic and diluted	\$ (0.38)	\$ (0.30)

**OCUGEN, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Year ended December 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (81,351)	\$ (58,365)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	480	229
Amortization (accretion) on marketable securities	(99)	—
Non-cash interest expense	83	78
Non-cash lease expense	593	360
Stock-based compensation expense	10,541	6,958
Income tax benefit	—	(52)
Gain on forgiveness of Paycheck Protection Program note	—	(426)
Impairment on note receivable	—	761
Other	479	26
Changes in assets and liabilities:		
Prepaid expenses and other current assets	91	(742)
Accounts payable and accrued expenses	9,487	3,498
Lease obligations	(383)	(366)
Other assets	—	100
<b>Net cash used in operating activities</b>	<b>(60,079)</b>	<b>(47,941)</b>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(13,271)	—
Purchases of property and equipment	(4,457)	(939)
Asset acquisition	—	(127)
Issuance of note receivable	—	(750)
Repayment of note receivable	761	—
<b>Net cash used in investing activities</b>	<b>(16,967)</b>	<b>(1,816)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net	59,567	129,211
Payment of equity issuance costs	(549)	(8,525)
Proceeds from issuance of debt	500	—
Payments of debt issuance costs	(43)	—
Financing lease principal payments	—	(10)
<b>Net cash provided by financing activities</b>	<b>59,475</b>	<b>120,676</b>
<b>Effect of changes in exchange rate on cash, cash equivalents, and restricted cash</b>	<b>25</b>	<b>—</b>
<b>Net (decrease) increase in cash, cash equivalents, and restricted cash</b>	<b>(17,546)</b>	<b>70,919</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>95,109</b>	<b>24,190</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 77,563</b>	<b>\$ 95,109</b>

158. The statements in ¶¶ 156-157 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the year. Specifically, ¶ 157 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

***2023 Proxy Statement***

159. On April 20, 2023, the Company filed with the SEC its 2023 Proxy Statement. Defendants Musunuri, Kumar, Zhang, Kompella, Whittington, Castillo, and Fernandes solicited the 2023 Proxy Statement, filed pursuant to Section 14(a) of the Exchange Act, which contained material misstatements and omissions.

160. The 2023 Proxy Statement solicited shareholders to, *inter alia*: (1) reelect Defendants Castillo and Fernandes to the Board; and (2) ratify the selection of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for the 2023 Fiscal Year.

161. Regarding the Company's Code of Ethics, the 2023 Proxy Statement provided, in relevant part:

We have a written Code of Conduct that applies to our directors and employees, including our executive officers. The Code of Conduct covers fundamental ethical and compliance-related principles and practices such as accurate accounting records and financial reporting, avoiding conflicts of interest, protection and use of our property, compliance with legal and regulatory requirements, and internal reporting procedures for violations of the Code of Conduct. The Code of Conduct is available on our website at [www.ocugen.com](http://www.ocugen.com) and any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website or in a Current Report on Form 8-K, which we will file with the SEC.

Only the Board may waive any specific provisions of the Code of Conduct for directors and executive officers. The Chief Accounting Officer and Senior Vice President, Finance, has been designated as the Compliance Officer, and may waive any specific provision of this Code of Conduct for employees other than a director and executive officer. In the event of an approved waiver involving the conduct of a director or executive officer, appropriate and prompt disclosure, including disclosure of the reasons for the waiver, must be made to our stockholders as required by applicable laws and stock exchange rules. The Audit Committee shall be responsible for monitoring compliance with the Code of Conduct and shall assess the adequacy of the Code of Conduct periodically and recommend any changes to the Code of Conduct to the Board for approval.

162. Regarding the Board's role in "Risk Oversight," the 2023 Proxy Statement provided, in relevant part:

Our Board's role in risk oversight is consistent with our leadership structure, with management having day-to-day responsibility for assessing and managing our risk exposure and our Board actively overseeing management of our risks — both at the



Board and Committee level. The risk oversight process includes receiving regular reports from each of the Committees and our executive officers to enable our Board to understand our risk identification, risk management, and risk mitigation strategies with respect to areas of potential material risk, including operations (including cyber-security), finance, legal, regulatory, strategic, and reputational risk.

Our Board focuses on the overall risks affecting us. Each Committee has been delegated the responsibility for the oversight of specific risks that fall within its area of responsibility. For example:

- The Audit Committee of our Board ("Audit Committee") oversees management of financial reporting, compliance, and litigation risks, including risks related to our insurance, information technology, cybersecurity, human resources, and regulatory matters, as well as the steps management has taken to monitor and control such exposures.
- The Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation policies, plans, and arrangements and the extent to which those policies, plans, and arrangements increase or decrease our risk.
- The Nominating and Corporate Governance Committee manages risks associated with the independence of our Board, potential conflicts of interest, and the effectiveness of our Board.
- The Science and Technology Committee is responsible for overseeing and assessing business development opportunities to further diversify, strengthen, and unify our product portfolio.

While each Committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through Committee reports about such risks. Matters of significant strategic risk are considered by our entire Board.

163. Regarding the Audit Committee's responsibilities, the 2023 Proxy Statement provided, in relevant part:

The Audit Committee assists our Board by providing oversight of our financial management, Independent Registered Public Accounting Firm, and accounting and financial reporting processes, as well as other matters as directed by the Board or the Audit Committee Charter.

Among other things, the Audit Committee's responsibilities include:

- Having sole discretion and direct responsibility for appointing, evaluating, retaining, compensating, overseeing, evaluating, and, when necessary, terminating our engagement with our Independent Registered Public Accounting Firm;
- Discussing with management and the Independent Registered Public Accounting Firm our annual and quarterly financial statements and related disclosures and pre-approving all audit services;
- Establishing and overseeing compliance with our procedures governing treatment of complaints concerning our accounting, internal accounting controls, or auditing matters, and submissions of confidential and anonymous employee concerns regarding accounting or auditing matters;
- Reviewing our Code of Conduct, including assessing the adequacy of the Code of Conduct and recommending any proposed changes to the Board, and our compliance with applicable legal requirements, as well as any litigation or material government investigations, and making corresponding reports to the Board;
- Overseeing our risk assessment and risk management processes and the guidelines and procedures to implement such processes;
- Reviewing and ratifying all related person transactions, based on the standards set forth in our Related Party Transactions Policy; and
- Preparing the Audit Committee Report required to be included in our annual proxy statement.

The members of our Audit Committee are Dr. Kumar (Chair), Dr. Fernandes, and Dr. Whittington. Dr. Whittington became a member of the Audit Committee in June 2022. Manish Potti, former director who did not stand for re-election at our 2022 Annual Meeting of Shareholders, served as a member of our Audit Committee until June 2022. All members of our Audit Committee are deemed “independent” and financially literate under the applicable rules and regulations of the SEC and Nasdaq. Dr. Kumar and Dr. Whittington also qualify as an “audit committee financial expert” within the meaning of SEC regulations.

164. Defendants Musunuri, Kumar, Zhang, Kompella, Whittington, Castillo, and Fernandes caused the 2023 Proxy Statement to be false and misleading by failing to disclose, *inter alia*, that: (1) the Company’s financial statements from May 8, 2020 to April 1, 2024, including important financial metrics such as collaborative arrangement revenue, research and development expenses, other income (expense), net and accrued expenses and other current liabilities, were

materially false and misleading; (2) the Company did not have adequate internal controls over financial reporting; (3) as a result, the Company would have to restate its financial statements, at great cost to the Company, for the entire fiscal year ended December 31, 2022 (the “2022 Fiscal Year”), for each of the first three quarters of the 2023 Fiscal Year, and for each of the quarters of the 2022 Fiscal Year. As a result, Ocugen’s statements were materially false and misleading at all relevant times.

165. The 2023 Proxy Statement was materially false and misleading because, despite assertions to the contrary, the Company’s Code of Ethics was not followed, as evidenced by the Individual Defendants (1) making and/or causing the Company to make the numerous false and misleading statements and omissions alleged herein; and (2) failing to report violations of the Code of Ethics. Further, the 2023 Proxy Statement was materially false and misleading because, despite assertions to the contrary, the Board was not adequately performing its risk oversight functions.

166. As a result of Defendants Musunuri, Kumar, Zhang, Kompella, Whittington, Castillo, and Fernandes causing the 2023 Proxy Statement to be false and misleading, Company shareholders voted, *inter alia*, to reelect Defendants Castillo and Fernandes to the Board, allowing them to continue to breach their fiduciary duties to the Company.

***The May 5, 2023 Form 10-Q***

167. On May 5, 2023, the Company filed with the SEC its Form 10-Q for the period ended March 31, 2022 (the “1Q 2023 10-Q”). The 1Q 2023 10-Q was signed by Defendants Musunuri and Crespo and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Crespo attesting to the accuracy of the 1Q 2023 10-Q.

168. The 1Q 2023 10-Q stated the following regarding Ocugen’s internal controls:

***We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer***

*and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of March 31, 2023.* Based upon this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, *our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms,* and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(Emphasis added).

169. The 1Q 2023 10-Q contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 68,259	\$ 77,563
Marketable securities	8,462	13,371
Prepaid expenses and other current assets	7,680	7,558
Total current assets	84,401	98,492
Property and equipment, net	7,952	6,053
Other assets	3,946	4,087
<b>Total assets</b>	<b>\$ 96,299</b>	<b>\$ 108,632</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 8,092	\$ 8,062
Accrued expenses and other current liabilities	5,823	9,900
Operating lease obligations	512	498
Current portion of long term debt	1,256	—
Total current liabilities	15,683	18,460
Non-current liabilities		
Operating lease obligations, less current portion	3,449	3,587
Long term debt, net	1,058	2,289
Other non-current liabilities	309	244
Total non-current liabilities	4,816	6,120
<b>Total liabilities</b>	<b>20,499</b>	<b>24,580</b>
Commitments and contingencies (Note 13)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at March 31, 2023 and December 31, 2022		
Series A; zero shares issued and outstanding at March 31, 2023 and December 31, 2022	—	—
Series B; 54,745 shares issued and outstanding at March 31, 2023 and December 31, 2022	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 226,548,693 and 221,721,182 shares issued, and 226,427,193 and 221,599,682 shares outstanding at March 31, 2023 and December 31, 2022, respectively	2,265	2,217
Treasury stock, at cost, 121,500 shares at March 31, 2023 and December 31, 2022	(48)	(48)
Additional paid-in capital	303,073	294,874
Accumulated other comprehensive income	25	26
Accumulated deficit	(229,516)	(213,018)
<b>Total stockholders' equity</b>	<b>75,800</b>	<b>84,052</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 96,299</b>	<b>\$ 108,632</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended March 31,	
	2023	2022
Operating expenses		
Research and development	\$ 9,558	\$ 7,915
General and administrative	8,193	10,119
Total operating expenses	17,751	18,034
Loss from operations	(17,751)	(18,034)
Other income (expense), net	1,253	15
Net loss	\$ (16,498)	\$ (18,019)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(1)	—
Comprehensive loss	\$ (16,499)	\$ (18,019)
Shares used in calculating net loss per common share — basic and diluted	225,523,627	205,693,498
Net loss per share of common stock — basic and diluted	\$ (0.07)	\$ (0.09)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Three months ended March 31,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (16,498)	\$ (18,019)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	174	76
Amortization (accretion) on marketable securities	(143)	—
Non-cash interest expense	24	19
Non-cash lease expense	131	179
Stock-based compensation expense	2,689	3,299
Other	352	—
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(60)	(575)
Accounts payable and accrued expenses	(4,784)	131
Lease obligations	(125)	(176)
<b>Net cash used in operating activities</b>	<b>(18,240)</b>	<b>(15,066)</b>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(3,947)	—
Proceeds from the maturities of marketable securities	9,000	—
Purchases of property and equipment	(1,612)	(223)
<b>Net cash provided by (used in) investing activities</b>	<b>3,441</b>	<b>(223)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net	5,731	50,177
Payment of equity issuance costs	(173)	(75)
Payment of debt issuance costs	(62)	—
<b>Net cash provided by financing activities</b>	<b>5,496</b>	<b>50,102</b>
Effect of changes in exchange rate on cash, cash equivalents, and restricted cash	(1)	—
<b>Net (decrease) increase in cash, cash equivalents, and restricted cash</b>	<b>(9,304)</b>	<b>34,813</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>77,563</b>	<b>95,109</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 68,259</b>	<b>\$ 129,922</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Purchases of property and equipment	\$ 1,119	\$ 611
Equity issuance costs	\$ —	\$ 71

170. The statements in ¶¶ 168-169 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 169 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

***The August 21, 2023 Form 10-Q***

171. On August 21, 2023, the Company filed with the SEC its Form 10-Q for the period ended June 30, 2023 (the “2Q 2023 10-Q”). The 2Q 2023 10-Q was signed by Defendant Musunuri, in the capacity of CEO and interim Principal Financial Officer, and attached certifications pursuant to SOX signed by Defendant Musunuri attesting to the accuracy of the 2Q 2023 10-Q.

172. The 2Q 2023 10-Q stated the following regarding Ocugen’s internal controls:

We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer who is also our interim principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2023. ***Based upon this evaluation, our principal executive officer/interim principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer/interim principal financial officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.***

(Emphasis added).

173. The 2Q 2023 10-Q contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	June 30, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 70,578	\$ 77,563
Marketable securities	—	13,371
Prepaid expenses and other current assets	2,874	7,558
Total current assets	73,452	98,492
Property and equipment, net	11,720	6,053
Other assets	3,804	4,087
<b>Total assets</b>	<b>\$ 88,976</b>	<b>\$ 108,632</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 3,881	\$ 8,062
Accrued expenses and other current liabilities	7,787	9,900
Operating lease obligations	526	498
Current portion of long term debt	1,266	—
Total current liabilities	13,460	18,460
Non-current liabilities		
Operating lease obligations, less current portion	3,308	3,587
Long term debt, net	1,472	2,289
Other non-current liabilities	455	244
Total non-current liabilities	5,235	6,120
Total liabilities	18,695	24,580
Commitments and contingencies (Note 13)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at June 30, 2023 and December 31, 2022		
Series A; zero shares issued and outstanding at June 30, 2023 and December 31, 2022	—	—
Series B; 54,745 shares issued and outstanding at June 30, 2023 and December 31, 2022	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 256,608,552 and 221,721,182 shares issued, and 256,487,052 and 221,599,682 shares outstanding at June 30, 2023 and December 31, 2022, respectively	2,566	2,217
Treasury stock, at cost, 121,500 shares at June 30, 2023 and December 31, 2022	(48)	(48)
Additional paid-in capital	320,181	294,874
Accumulated other comprehensive income	22	26
Accumulated deficit	(252,441)	(213,018)
Total stockholders' equity	70,281	84,052
<b>Total liabilities and stockholders' equity</b>	<b>\$ 88,976</b>	<b>\$ 108,632</b>



**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Operating expenses				
Research and development	\$ 14,169	\$ 9,007	\$ 23,727	\$ 16,922
General and administrative	9,564	10,558	17,757	20,677
Total operating expenses	23,733	19,565	41,484	37,599
Loss from operations	(23,733)	(19,565)	(41,484)	(37,599)
Other income (expense), net	808	94	2,061	109
Net loss	\$ (22,925)	\$ (19,471)	\$ (39,423)	\$ (37,490)
Other comprehensive income (loss)				
Foreign currency translation adjustment	(2)	10	(3)	10
Unrealized gain (loss) on marketable securities	(1)	—	(1)	—
Comprehensive loss	\$ (22,928)	\$ (19,461)	\$ (39,427)	\$ (37,480)
Shares used in calculating net loss per common share — basic and diluted	238,311,498	215,862,977	231,952,888	210,806,330
Net loss per share of common stock — basic and diluted	\$ (0.10)	\$ (0.09)	\$ (0.17)	\$ (0.18)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Six months ended June 30,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (39,423)	\$ (37,490)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	348	166
Amortization (accretion) on marketable securities	(182)	—
Non-cash interest expense	54	38
Non-cash lease expense	265	334
Stock-based compensation expense	5,321	5,378
Impairment of advance for COVAXIN supply	4,074	—
Loss on disposal of fixed assets related to COVAXIN	363	—
Other	439	—
Changes in assets and liabilities:		
Prepaid expenses and other current assets	572	132
Accounts payable and accrued expenses	(8,625)	2,844
Lease obligations	(252)	(265)
<b>Net cash used in operating activities</b>	<b>(37,046)</b>	<b>(28,863)</b>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(3,947)	—
Proceeds from the maturities of marketable securities	17,500	—
Purchases of property and equipment	(4,389)	(1,589)
<b>Net cash provided by (used in) investing activities</b>	<b>9,164</b>	<b>(1,589)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net	20,690	50,538
Payment of equity issuance costs	(222)	(200)
Proceeds from issuance of debt	500	—
Payment of debt issuance costs	(68)	—
<b>Net cash provided by financing activities</b>	<b>20,900</b>	<b>50,338</b>
<b>Effect of changes in exchange rate on cash and cash equivalents</b>	<b>(3)</b>	<b>10</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(6,985)</b>	<b>19,896</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>77,563</b>	<b>95,109</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 70,578</b>	<b>\$ 115,005</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Equity issuance costs	\$ 133	\$ 69
Purchases of property and equipment	\$ 2,637	\$ 491
Right-of-use asset related to operating leases	\$ —	\$ 2,918

174. The statements in ¶¶ 172-173 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 173 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

*November 9, 2023 Form 10-Q*

175. On November 9, 2023, the Company filed with the SEC its Form 10-Q for the period ended September 30, 2023 (the “3Q 2023 10-Q”). The 3Q 2023 10-Q was signed by Defendants Musunuri and Breininger and contained attached certifications pursuant to SOX signed by Defendants Musunuri and Breininger attesting to the accuracy of the 3Q 2023 10-Q.

176. The 3Q 2023 10-Q stated the following regarding Ocugen’s internal controls:

*We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of September 30, 2023. Based upon this evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (b) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.*

(Emphasis added).

177. The 3Q 2023 10-Q contained the following misleading financial statements:

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	September 30, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 53,477	\$ 77,563
Marketable securities	—	13,371
Prepaid expenses and other current assets	3,081	7,558
Total current assets	56,558	98,492
Property and equipment, net	14,469	6,053
Other assets	3,660	4,087
<b>Total assets</b>	<b>\$ 74,687</b>	<b>\$ 108,632</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 2,921	\$ 8,062
Accrued expenses and other current liabilities	6,399	9,900
Operating lease obligations	540	498
Current portion of long term debt	1,276	—
Total current liabilities	11,136	18,460
Non-current liabilities		
Operating lease obligations, less current portion	3,164	3,587
Long term debt, net	1,495	2,289
Other non-current liabilities	497	244
Total non-current liabilities	5,156	6,120
Total liabilities	16,292	24,580
Commitments and contingencies (Note 13)		
Stockholders' equity		
Convertible preferred stock; \$0.01 par value; 10,000,000 shares authorized at September 30, 2023 and December 31, 2022		
Series A; zero shares issued and outstanding at September 30, 2023 and December 31, 2022	—	—
Series B; 54,745 shares issued and outstanding at September 30, 2023 and December 31, 2022	1	1
Common stock; \$0.01 par value; 295,000,000 shares authorized, 256,621,487 and 221,721,182 shares issued, and 256,499,987 and 221,599,682 shares outstanding at September 30, 2023 and December 31, 2022, respectively	2,566	2,217
Treasury stock, at cost, 121,500 shares at September 30, 2023 and December 31, 2022	(48)	(48)
Additional paid-in capital	322,452	294,874
Accumulated other comprehensive income	27	26
Accumulated deficit	(266,603)	(213,018)
Total stockholders' equity	58,395	84,052
<b>Total liabilities and stockholders' equity</b>	<b>\$ 74,687</b>	<b>\$ 108,632</b>

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except share and per share amounts)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Operating expenses				
Research and development	\$ 6,342	\$ 15,622	\$ 30,069	\$ 32,544
General and administrative	9,082	7,497	26,839	28,174
Total operating expenses	15,424	23,119	56,908	60,718
Loss from operations	(15,424)	(23,119)	(56,908)	(60,718)
Other income (expense), net	1,262	1,197	3,323	1,306
Net loss	\$ (14,162)	\$ (21,922)	\$ (53,585)	\$ (59,412)
Other comprehensive income (loss)				
Foreign currency translation adjustment	5	20	2	30
Unrealized gain (loss) on marketable securities	—	—	(1)	—
Comprehensive loss	\$ (14,157)	\$ (21,902)	\$ (53,584)	\$ (59,382)
Shares used in calculating net loss per common share — basic and diluted	256,492,558	216,591,011	240,222,667	212,755,746
Net loss per share of common stock — basic and diluted	\$ (0.06)	\$ (0.10)	\$ (0.22)	\$ (0.28)

**OCUGEN, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	Nine months ended September 30,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (53,585)	\$ (59,412)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	525	307
Amortization (accretion) on marketable securities	(182)	—
Non-cash interest expense	87	58
Non-cash lease expense	401	463
Stock-based compensation expense	7,495	7,873
Impairment of advance for COVAXIN supply	4,074	—
Loss on disposal of fixed assets related to COVAXIN	363	—
Other	379	(673)
Changes in assets and liabilities:		
Prepaid expenses and other current assets	132	1,888
Accounts payable and accrued expenses	(10,059)	6,592
Lease obligations	(382)	(261)
<b>Net cash used in operating activities</b>	<b>(50,752)</b>	<b>(43,165)</b>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(3,947)	—
Proceeds from the maturities of marketable securities	17,500	—
Purchases of property and equipment	(7,754)	(2,433)
Repayment of note receivable	—	761
<b>Net cash provided by (used in) investing activities</b>	<b>5,799</b>	<b>(1,672)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net	20,788	51,141
Payment of equity issuance costs	(355)	(298)
Proceeds from issuance of debt	500	500
Payment of debt issuance costs	(68)	(43)
<b>Net cash provided by financing activities</b>	<b>20,865</b>	<b>51,300</b>
<b>Effect of changes in exchange rate on cash and cash equivalents</b>	<b>2</b>	<b>30</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(24,086)</b>	<b>6,493</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>77,563</b>	<b>95,109</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 53,477</b>	<b>\$ 101,602</b>
<b>Supplemental disclosure of non-cash investing and financing transactions:</b>		
Equity issuance costs	\$ —	\$ 2
Purchases of property and equipment	\$ 1,969	\$ 1,231
Right-of-use asset related to operating leases	\$ —	\$ 2,916
Debt issuance costs	\$ —	\$ 19

178. The statements in ¶¶ 176-177 were materially false and misleading at the time they were made because the Company lacked adequate controls and as a result, the Company had materially misstated its financial results for the quarter. Specifically, ¶ 177 contained errors as to the following financial statement line-item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.

179. The aforementioned statements were materially false and misleading because Individual Defendants misrepresented to the investing public a series of materially false and misleading statements regarding the Company's business, operations, and prospects. Specifically, the Individual Defendants willfully or recklessly made and/or caused the Company to make false and misleading statements to the investing public that failed to disclose, *inter alia*, that: (1) the Company's financial statements from May 8, 2020 to April 1, 2024, including important financial metrics such as collaborative arrangement revenue, research and development expenses, other income (expense), net and accrued expenses and other current liabilities, were materially false and misleading; (2) the Company did not have adequate internal controls over financial reporting; (3) as a result, the Company would have to restate its financial statements, at great cost to the Company, for the entire fiscal year ended December 31, 2022 (the "2022 Fiscal Year"), for each of the first three quarters of the 2023 Fiscal Year, and for each of the quarters of the 2022 Fiscal Year. As a result, Ocugen's statements were materially false and misleading at all relevant times.

### **The Truth Emerges**

180. The truth emerged on April 1, 2024, after the market closed, when the Company filed with the SEC the Restatement Announcement. The Restatement Announcement revealed the following:

In connection with the preparation of the financial statements of Ocugen, Inc. (the "Company") for the year ended December 31, 2023, the Company, in consultation with its independent registered public accounting firm, Ernst & Young LLP ("EY"), identified certain accounting errors related to the application of U.S. GAAP to certain agreements with one of its business partners related to a collaboration agreement.

On April 1, 2024, the Audit Committee of the Board of Directors (the "Audit Committee"), based on the recommendation of management and after consultation with EY, ***concluded that the Company's previously-issued audited consolidated financial statements for each fiscal year beginning January 1, 2020*** and its previously-issued unaudited interim condensed consolidated financial statements for each of the first three quarters in such years, as well as the associated earnings

releases and investor presentations or other communications *describing such financial statements, were materially misstated and, accordingly, should no longer be relied upon.*

*The Company intends to restate its consolidated financial statements as of and for the year ended December 31, 2022, in connection with the filing of its 2023 Form 10-K. Similarly, the Company will include restated unaudited financial information for each of the first three quarters of 2023 and 2022 in its 2023 Form 10-K* (each such annual and quarterly period to be restated, a “Restated Period”).

The identified errors in each of the Restated Periods relate to the Company’s accounting for the estimated costs in one of its collaboration arrangements. *These identified errors will result in a restatement of the following financial statement line item captions: Collaborative arrangement revenue, Research and development expenses, Other income (expense), net and Accrued expenses and other current liabilities.*

The Company is currently not in a position to provide a reasonable estimate of the anticipated changes in its results of operations for the year ended December 31, 2023, for any Restated Period. However, the Company does not expect the errors to result in any impact on its cash position, cash runway, or financial projections.

Additionally, the Company has determined that the errors resulted from the existence of a material weakness in its internal control over financial reporting that also existed during the Restated Periods and that its internal control over financial reporting was not effective as of December 31, 2023. As a result, the Company’s Chief Executive Officer and Chief Accounting Officer have concluded that the Company’s disclosure controls and procedures were not effective as of December 31, 2023.

On April 1, 2024, the Company filed a notification of inability to timely file Form 10-K on Form 12b-25 due to additional time required for the Company to correct the errors described above and prepare restated financial statements. At this time, the Company expects to file the 2023 Form 10-K no later than April 16, 2024. However, there can be no assurance that the Company will be able to prepare restated financial statements and file the 20 3 Form 10-K on the timeline anticipated, or that no additional errors will be identified.

(Emphasis added).

181. Also on April 1, 2024, Ocugen filed with the SEC a Late Filing Notification. It stated the following:

In connection with the preparation of the financial statements of the Company for the year ended December 31, 2023, the Company identified certain accounting errors relating to the application of U.S. GAAP to certain agreements with one of



its business partners related to a collaboration agreement. As a result, the Company intends to restate its financial statements for the year ended December 31, 2022 and for each of the first three quarters of 2022 and 2023 in the 2023 Form 10-K, the review and preparation of which is currently ongoing. Given the scope of the process to prepare the restatements and related disclosures, the Company requires additional time to prepare and review its financial statements and other disclosures in its 2023 Form 10-K. Therefore, the Company is unable to complete and file the 2023 Form 10-K by the required due date of April 1, 2024.

182. On this news, the Company's stock price declined by \$0.16 per share, or 10.38%, from a closing price of \$1.54 per share on April 1, 2024, to close at \$1.38 per share on April 2, 2024.

### **DAMAGES TO OCUGEN**

183. As a direct and proximate result of the Individual Defendants' conduct, Ocugen will lose and expend many millions of dollars.

184. Such expenditures include, but are not limited to, legal fees, costs, and any payments for resolution of or to satisfy a judgment associated with the Securities Class Action, and amounts paid to outside lawyers, accountants, and investigators in connection thereto.

185. Such expenditures also include, but are not limited to, fees, costs, and any payments for resolution of or to satisfy judgments associated with any other lawsuits filed against the Company or the Individual Defendants based on any misconduct alleged herein and amounts paid to outside lawyers, accountants, and investigators in connection thereto.

186. Such expenditures will also include costs incurred in any internal investigations pertaining to violations of law, costs incurred in defending any investigations or legal actions taken against the Company due to its violations of law, and payments of any fines or settlement amounts associated with the Company's violations.

187. Additionally, these expenditures include, but are not limited to, unjust compensation, benefits, and other payments provided to the Individual Defendants who breached their fiduciary duties to the Company.

188. Additionally, these expenditures include, but are not limited to, the cost to the Company for restating the false and misleading financial statements contained herein and the cost to remedy the Company's deficient internal controls.

189. Additionally, these expenditures include, but are not limited to, unjust compensation, benefits, and other payments provided to the Individual Defendants who breached their fiduciary duties to the Company, including the personal profits of the four Individual Defendants who engaged in lucrative insider sales, netting proceeds of approximately \$38 million during the Relevant Period.

190. As a direct and proximate result of the Individual Defendants' conduct, Ocugen has also suffered and will continue to suffer a loss of reputation and goodwill, and a "liar's discount" that will plague the Company's stock in the future due to the Company's and their misrepresentations.

### **DERIVATIVE ALLEGATIONS**

191. Plaintiff brings this action derivatively and for the benefit of Ocugen to redress injuries suffered, and to be suffered, as a result of the Individual Defendants' breaches of their fiduciary duties as directors and/or officers of Ocugen, gross mismanagement, abuse of control, waste of corporate assets, unjust enrichment, and violations of Section 14(a) of the Exchange Act.

192. Ocugen is named solely as a nominal party in this action. This is not a collusive action to confer jurisdiction on this Court that it would not otherwise have.

193. Plaintiff is, and has been at all relevant times, a shareholder of Ocugen. Plaintiff will adequately and fairly represent the interests of Ocugen in enforcing and prosecuting its rights, and, to that end, has retained competent counsel, experienced in derivative litigation, to enforce and prosecute this action.

### **DEMAND FUTILITY ALLEGATIONS**

194. Plaintiff incorporates by reference and re-alleges each and every allegation stated above as if fully set forth herein.

195. A pre-suit demand on the Board of Ocugen is futile and, therefore, excused. At the time of filing of this complaint, the Board consists of the following seven individuals: Defendants Musunuri, Kumar, Zhang, Kompella, Whittington, Castillo, and Fernandes (the “Director Defendants”). Plaintiff needs only to allege demand futility as to four of the seven Director Defendants that were on the Board at the time of the filing of this complaint.

196. In complete abdication of their fiduciary duties, the Director Defendants either knowingly or recklessly caused or permitted the Company to issue materially false and misleading statements. Specifically, the Director Defendants caused Ocugen to issue false and misleading statements which were intended to make Ocugen appear more profitable and attractive to investors. Moreover, the Director Defendants caused the Company to fail to maintain adequate internal controls. As a result of the foregoing, the Director Defendants breached their fiduciary duties, face a substantial likelihood of liability, are not independent or disinterested, and demand upon them is futile, and thus, excused.

197. Moreover, all the Director-Defendants solicited the 2022 and 2023 Proxy Statements, which called for a shareholder vote to, *inter alia*, re-elect four Director-Defendants to the Board, thus allowing them to continue breaching their fiduciary duties to the Company.

198. Additional reasons that demand on Defendant Musunuri is futile follow. Defendant Musunuri is the co-founder of the Company. He also serves as the Company's CEO and as Chairman of the Board. Defendant Musunuri has served as the Company's CEO and as a Company director since September 2019. The Company provides Defendant Musunuri with his principal occupation for which he receives handsome compensation. Thus, as the Company admits, he is a non-independent director. Moreover, Defendant Musunuri solicited the 2022 Proxy Statement and 2023 Proxy Statement, both of which contained material misrepresentations and omissions that led to the re-election of certain Director-Defendants, allowing them to continue to breach their fiduciary duties to the Company. In addition, Defendant Musunuri signed the 2020, 2021 and the 2022 10-Ks, as well as the certifications contained therein pursuant to SOX, all of which contained false and misleading elements, and attested to their accuracy. Furthermore, Defendant Musunuri engaged in lucrative insider trading, reaping personal profits exceeding \$24,042,262. As the Company's CEO and Chairman of the Board, Defendant Musunuri was ultimately responsible for all the false and misleading statements and omissions that were made, including those contained in the relevant Forms 10-K and 10-Q which he personally signed. As the Company's highest officer, he conducted little, if any, oversight of the scheme to make and/or cause the Company to make false and misleading statements, consciously disregarded his duties to monitor such controls over reporting and engagement in the scheme, and consciously disregarded his duties to protect corporate assets. Further, Defendant Musunuri is a defendant in the Securities Class Action. For these reasons, too, Defendant Musunuri breached his fiduciary duties, faces a substantial likelihood of liability, is not independent or disinterested, and thus demand upon him is futile and, therefore, excused.

199. Additional reasons that demand on Defendant Kumar is futile follow. Defendant Kumar has served as a Company director since September 2019. Defendant Kumar also serves as the Chair of the Audit Committee. Moreover, Defendant Kumar solicited the 2022 Proxy Statement and 2023 Proxy Statement, both of which contained material misrepresentations and omissions that led to the re-election of certain Director-Defendants, allowing them to continue to breach their fiduciary duties to the Company. In addition, Defendant Kumar signed the 2020, 2021 and the 2022 10-Ks all of which contained false and misleading elements and attested to their accuracy. Furthermore, Defendant Kumar engaged in lucrative insider trading, reaping personal profits exceeding \$208,935. As a Company director, Defendant Kumar was ultimately responsible for all the false and misleading statements and omissions that were made, including those contained in the relevant Forms 10-K and 10-Q. As the Company's highest officer, he conducted little, if any, oversight of the scheme to make and/or cause the Company to make false and misleading statements, consciously disregarded his duties to monitor such controls over reporting and engagement in the scheme, and consciously disregarded his duties to protect corporate assets. For these reasons, too, Defendant Kumar breached his fiduciary duties, faces a substantial likelihood of liability, is not independent or disinterested, and thus demand upon him is futile and, therefore, excused.

200. Additional reasons that demand on Defendant Zhang is futile follow. Defendant Zhang has served as a Company director since September 2019. Defendant Zhang also serves as a member of the Nominating and Corporate Governance Committee. Moreover, Defendant Zhang solicited the 2022 Proxy Statement and the 2023 Proxy Statement, both of which contained material misrepresentations and omissions that led to the re-election of certain Director-Defendants, allowing them to continue to breach their fiduciary duties to the Company. In addition,

Defendant Zhang signed the 2020, 2021 and the 2022 10-Ks all of which contained false and misleading elements and attested to their accuracy. Furthermore, Defendant Zhang engaged in lucrative insider trading, reaping personal profits exceeding \$4,960,971. As a Company director, Defendant Zhang was ultimately responsible for all the false and misleading statements and omissions that were made, including those contained in the relevant Forms 10-K and 10-Q. As a trusted Company director, he conducted little, if any, oversight of the scheme to make and/or cause the Company to make false and misleading statements, consciously disregarded his duties to monitor such controls over reporting and engagement in the scheme, and consciously disregarded his duties to protect corporate assets. For these reasons, too, Defendant Zhang breached his fiduciary duties, faces a substantial likelihood of liability, is not independent or disinterested, and thus demand upon him is futile and, therefore, excused.

201. Additional reasons that demand on Defendant Kompella is futile follow. Defendant Kompella is a co-founder of the Company. Defendant Kompella has served as a Company director since September 2019. Defendant Kompella also serves as a member of the Nominating and Corporate Governance Committee. Moreover, Defendant Kompella solicited the 2022 Proxy Statement and the 2023 Proxy Statement, both of which contained material misrepresentations and omissions that led to the re-election of certain Director-Defendants, allowing them to continue to breach their fiduciary duties to the Company. In addition, Defendant Kompella signed the 2020, 2021 and the 2022 10-Ks all of which contained false and misleading elements and attested to their accuracy. Furthermore, Defendant Kompella engaged in lucrative insider trading, reaping personal profits exceeding \$4,319,586. Defendant Kompella was ultimately responsible for all the false and misleading statements and omissions that were made, including those contained in the relevant Forms 10-K and 10-Q. As a trusted Company director, he conducted little, if any, oversight of the

scheme to make and/or cause the Company to make false and misleading statements, consciously disregarded his duties to monitor such controls over reporting and engagement in the scheme, and consciously disregarded his duties to protect corporate assets. For these reasons, too, Defendant Kompella breached his fiduciary duties, faces a substantial likelihood of liability, is not independent or disinterested, and thus demand upon him is futile and, therefore, excused.

202. Additional reasons that demand on Defendant Whittington is futile follow. Defendant Whittington has served as a Company director since March 2022. Defendant Whittington also serves as a member of the Compensation Committee and Chair of the Audit Committee. Moreover, Defendant Whittington solicited the 2022 Proxy Statement and 2023 Proxy Statement, both of which contained material misrepresentations and omissions that led to the re-election of certain Director-Defendants, allowing them to continue to breach their fiduciary duties to the Company. In addition, Defendant Whittington signed the 2022 10-K, which contained false and misleading elements, and attested to their accuracy. As a Company director, Defendant Whittington was ultimately responsible for all the false and misleading statements and omissions that were made, including those contained in the relevant Forms 10-K and 10-Q. She conducted little, if any, oversight of the scheme to make and/or cause the Company to make false and misleading statements, consciously disregarded her duties to monitor such controls over reporting and engagement in the scheme, and consciously disregarded her duties to protect corporate assets. For these reasons, too, Defendant Whittington breached her fiduciary duties, faces a substantial likelihood of liability, is not independent or disinterested, and thus demand upon her is futile and, therefore, excused.

203. Additional reasons that demand on Defendant Castillo is futile follow. Defendant Castillo has served as a Company director since April 2020. Defendant Castillo also serves as a

member of the Compensation Committee, the Science and Technology Committee, the Compensation Committee, and as Chair of the Nominating and Corporate Governance Committee. Moreover, Defendant Castillo solicited the 2022 Proxy Statement and 2023 Proxy Statement, both of which contained material misrepresentations and omissions that led to the re-election of certain Director-Defendants, allowing them to continue to breach their fiduciary duties to the Company. In addition, Defendant Castillo signed the 2020, 2021, and the 2022 10-Ks, all of which contained false and misleading elements and attested to their accuracy. Furthermore, Defendant Castillo engaged in lucrative insider trading, reaping personal profits exceeding \$447,220. As a Company director, Defendant Castillo was ultimately responsible for all the false and misleading statements and omissions that were made, including those contained in the relevant Forms 10-K and 10-Q. As the Company's highest officer, she conducted little, if any, oversight of the scheme to make and/or cause the Company to make false and misleading statements, consciously disregarded her duties to monitor such controls over reporting and engagement in the scheme, and consciously disregarded her duties to protect corporate assets. For these reasons, too, Defendant Castillo breached her fiduciary duties, faces a substantial likelihood of liability, is not independent or disinterested, and thus demand upon her is futile and, therefore, excused.

204. Additional reasons that demand on Defendant Fernandes is futile follow. Defendant Fernandes serves as a Company director. Defendant Fernandes has served as a member of the Audit Committee and Science and Technology Committee and serves as the Chair of the Compensation Committee. Moreover, Defendant Fernandes solicited the 2022 Proxy Statement and 2023 Proxy Statement, both of which contained material misrepresentations and omissions that led to the re-election of certain Director-Defendants, allowing them to continue to breach their fiduciary duties to the Company. In addition, Defendant Fernandes signed the 2020, 2021, and the



2022 10-Ks all of which contained false and misleading elements and attested to their accuracy. Furthermore, Defendant Fernandes engaged in lucrative insider trading, reaping personal profits exceeding \$247,700. As a Company director, Defendant Fernandes was ultimately responsible for all the false and misleading statements and omissions that were made, including those contained in the relevant Forms 10-K and 10-Q. As the Company's highest officer, she conducted little, if any, oversight of the scheme to make and/or cause the Company to make false and misleading statements, consciously disregarded her duties to monitor such controls over reporting and engagement in the scheme, and consciously disregarded her duties to protect corporate assets. For these reasons, too, Defendant Fernandes breached her fiduciary duties, faces a substantial likelihood of liability, is not independent or disinterested, and thus demand upon her is futile and, therefore, excused.

205. Additional reasons that demand on the Board is futile follow.

206. Defendants Whittington (Chair), Kumar, Fernandes, and Castillo served as members of the Audit Committee for parts of or the entirety of the Relevant Period. In violation of the Audit Committee Charter, Defendants Whittington, Kumar, Fernandes, and Castillo failed to adequately review and discuss the Company's Forms 10-K and Forms 10-Q; failed to adequately exercise their risk management and risk assessment functions; and failed to ensure adequate Board oversight of the Company's internal control over financial reporting, disclosure controls and procedures, and Code of Ethics. Thus, Defendants Whittington, Kumar, Fernandes, and Castillo further breached their fiduciary duties, are not disinterested, and demand is excused as to them.

207. In violation of the Code of Ethics, the Director Defendants engaged in or permitted the scheme to cause the Company to issue materially false and misleading statements to the public, and to facilitate and disguise the Individual Defendants' violations of law, including breaches of

fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violations of the Exchange Act. In violation of the Code of Ethics, the Director Defendants failed to maintain the accuracy of Company records; protect and ensure the efficient use of Company assets; comply with all applicable laws, rules, and regulations; and properly report violations of the Code of Ethics and applicable laws, rules, and regulations. Thus, the Director-Defendants breached the Company's own Code of Ethics, are not disinterested, and demand is excused as to them.

208. Ocugen has been and will continue to be exposed to significant losses due to the wrongdoing complained of herein, yet the Director Defendants have not filed any lawsuits against the Individual Defendants or others who were responsible for that wrongful conduct to attempt to recover for Ocugen any part of the damages Ocugen suffered and will continue to suffer thereby. Thus, any demand upon the Director Defendants would be futile.

209. The Individual Defendants' conduct described herein and summarized above could not have been the product of legitimate business judgment as it was based on bad faith and intentional, reckless, or disloyal misconduct. Thus, none of the Director Defendants can claim exculpation from their violations of duty pursuant to the Company's charter (to the extent such a provision exists). As a majority of the Director Defendants face a substantial likelihood of liability, they are self-interested in the transactions challenged herein and are not capable of exercising independent and disinterested judgment about whether to pursue this action on behalf of the shareholders of the Company. Accordingly, demand is excused as being futile.

210. The acts complained of herein constitute violations of fiduciary duties owed by Ocugen's officers and directors, and these acts are incapable of ratification.

211. The Director Defendants may also be protected against personal liability for their acts of mismanagement and breaches of fiduciary duty alleged herein by directors' and officers' liability insurance if they caused the Company to purchase it for their protection with corporate funds, i.e., monies belonging to the stockholders of Ocugen. If there is a directors' and officers' liability insurance policy covering the Director Defendants, it may contain provisions that eliminate coverage for any action brought directly by the Company against the Director Defendants, known as, *inter alia*, the "insured-versus-insured exclusion." As a result, if the Director Defendants were to sue themselves or certain of the officers of Ocugen, there would be no directors' and officers' insurance protection. Accordingly, the Director Defendants cannot be expected to bring such a suit. On the other hand, if the suit is brought derivatively, as this action is brought, such insurance coverage, if such an insurance policy exists, will provide a basis for the Company to effectuate a recovery. Thus, demand on the Director Defendants is futile and, therefore, excused.

212. If there is no directors' and officers' liability insurance, then the Director Defendants will not cause Ocugen to sue the Individual Defendants named herein, since, if they did, they would face a large uninsured individual liability. Accordingly, demand is futile in that event, as well.

213. Thus, for all of the reasons set forth above, all of the Director Defendants, and, if not all of them, at least four of the Director Defendants, cannot consider a demand with disinterestedness and independence. Consequently, a demand upon the Board is excused as futile.

### **FIRST CLAIM**

#### **Against the Individual Defendants for Violations of Section 14(a) of the Exchange Act**

214. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

215. Section 14(a) of the Exchange Act, 15 U.S.C. § 78n(a)(1), provides that “[i]t shall be unlawful for any person, by use of the mails or by any means or instrumentality of interstate commerce or of any facility of a national securities exchange or otherwise, in contravention of such rules and regulations as the [SEC] may prescribe as necessary or appropriate in the public interest or for the protection of investors, to solicit or to permit the use of his name to solicit any proxy or consent or authorization in respect of any security (other than an exempted security) registered pursuant to section 12 of this title [15 U.S.C. § 78l].”

216. Rule 14a-9, promulgated pursuant to § 14(a) of the Exchange Act, provides that no proxy statement shall contain “any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading.” 17 C.F.R. § 240.14a-9.

217. Under the direction and watch of the Individual Defendants, the 2022 Proxy Statement and the 2023 Proxy Statement failed to disclose, *inter alia*, that: (1) although the Company claimed its officers and directors adhered to the Code of Ethics, the Individual Defendants violated these policies either without waivers or without such waivers being disclosed; and (2) contrary to the 2022 Proxy Statement’s and the 2023 Proxy Statement’s descriptions of the Board’s and its committees’ risk oversight functions, the Board and its committees were not adequately exercising these functions and were causing or permitting the Company to issue false and misleading statements.

218. The 2022 and 2023 Proxy Statements also failed to disclose that: (1) the Company's financial statements from May 8, 2020 to April 1, 2024, including important financial metrics such as collaborative arrangement revenue, research and development expenses, other income (expense), net and accrued expenses and other current liabilities, were materially false and misleading; (2) the Company did not have adequate internal controls over financial reporting; (3) as a result, the Company would have to restate its financial statements, at great cost to the Company, for the entire fiscal year ended December 31, 2022 (the "2022 Fiscal Year"), for each of the first three quarters of the 2023 Fiscal Year, and for each of the quarters of the 2022 Fiscal Year. As a result, Ocugen's statements were materially false and misleading at all relevant times.

219. In the exercise of reasonable care, the Individual Defendants should have known that by misrepresenting or failing to disclose the foregoing material facts, the statements contained in the 2022 Proxy Statement and the 2023 Proxy Statement were materially false and misleading. The misrepresentations and omissions were material to Plaintiff in voting on the matters set forth for shareholder determination in the 2022 Proxy Statement and the 2023 Proxy Statement, including, but not limited to, the reelection of Defendants Kompella, Whittington, Castillo, and Fernandes to the Board, thus allowing them to continue breaching their fiduciary duties to Ocugen.

220. The Company was damaged as a result of the Individual Defendants' material misrepresentations and omissions in the 2022 and 2023 Proxy Statements.

221. Plaintiff, on behalf of Ocugen, has no adequate remedy at law.

## **SECOND CLAIM**

### **Against the Individual Defendants for Breach of Fiduciary Duties**

222. Plaintiff incorporates by reference and re-alleges each and every allegation set forth above, as though fully set forth herein.

223. Each Individual Defendant owed to the Company the duty to exercise candor, good faith, and loyalty in the management and administration of Ocugen's business and affairs.

224. Each of the Individual Defendants violated and breached his or her fiduciary duties of candor, good faith, loyalty, reasonable inquiry, oversight, and supervision.

225. The Individual Defendants' conduct set forth herein was due to their intentional or reckless breach of the fiduciary duties they owed to the Company, as alleged herein. The Individual Defendants intentionally or recklessly breached or disregarded their fiduciary duties to protect the rights and interests of Ocugen.

226. In breach of their fiduciary duties owed to Ocugen, the Individual Defendants willfully or recklessly caused the Company to make false and/or misleading statements and/or omissions of material fact that failed to disclose, *inter alia*, that: (1) the Company's financial statements from May 8, 2020 to April 1, 2024, including important financial metrics such as collaborative arrangement revenue, research and development expenses, other income (expense), net and accrued expenses and other current liabilities, were materially false and misleading; (2) the Company did not have adequate internal controls over financial reporting; (3) as a result, the Company would have to restate its financial statements, at great cost to the Company, for the entire fiscal year ended December 31, 2022 (the "2022 Fiscal Year"), for each of the first three quarters of the 2023 Fiscal Year, and for each of the quarters of the 2022 Fiscal Year. As a result, Ocugen's statements were materially false and misleading at all relevant times.

227. Also in breach of their fiduciary duties, the Individual Defendants failed to maintain adequate internal controls.

228. The Individual Defendants had actual or constructive knowledge that they had caused the Company to fail to maintain adequate internal controls. The Individual Defendants had actual knowledge that internal controls were not adequately maintained, or acted with reckless disregard for the truth, in that they caused the Company to fail to maintain adequate internal controls, even though such facts were available to them. Such improper conduct was committed knowingly or recklessly and for the purpose and effect of artificially inflating the price of Ocugen's securities. The Individual Defendants, in good faith, should have taken appropriate action to correct the scheme alleged herein and to prevent it from continuing to occur.

229. These actions were not a good-faith exercise of prudent business judgment to protect and promote the Company's corporate interests.

230. As a direct and proximate result of the Individual Defendants' breaches of their fiduciary obligations, Ocugen has sustained and continues to sustain significant damages. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

231. Plaintiff, on behalf of Ocugen, has no adequate remedy at law.

### **THIRD CLAIM**

#### **Against Individual Defendants for Unjust Enrichment**

232. Plaintiff incorporates by reference and re-alleges each and every allegation set forth above, as though fully set forth herein.

233. By their wrongful acts, violations of law, and false and misleading statements and omissions of material fact that they made and/or caused to be made, the Individual Defendants were unjustly enriched at the expense of, and to the detriment of, Ocugen.

234. The Individual Defendants either benefitted financially from the improper conduct, or received bonuses, stock options, or similar compensation from Ocugen that was tied to the performance or artificially inflated valuation of Ocugen or received compensation or other payments that were unjust in light of the Individual Defendants bad faith conduct. This includes lavish compensation, benefits, and other payments provided to the Individual Defendants who breached their fiduciary duties to the Company.

235. Plaintiff, as a shareholder and a representative of Ocugen, seeks restitution from the Individual Defendants and seeks an order from this Court disgorging all profits, including from insider transactions, benefits, and other compensation, including any performance-based or valuation-based compensation, obtained by the Individual Defendants due to their wrongful conduct and breach of their fiduciary duties.

236. Plaintiff, on behalf of Ocugen, has no adequate remedy at law.

#### **FOURTH CLAIM**

##### **Against Individual Defendants for Abuse of Control**

237. Plaintiff incorporates by reference and re-alleges each and every allegation set forth above, as though fully set forth herein.

238. The Individual Defendants' misconduct alleged herein constituted an abuse of their ability to control and influence Ocugen, for which they are legally responsible.

239. As a direct and proximate result of the Individual Defendants' abuse of control, Ocugen has sustained significant damages. As a direct and proximate result of the Individual Defendants' breaches of their fiduciary obligations of candor, good faith, and loyalty, Ocugen has sustained and continues to sustain significant damages. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

240. Plaintiff, on behalf of Ocugen, has no adequate remedy at law.



**FIFTH CLAIM**

**Against Individual Defendants for Gross Mismanagement**

241. Plaintiff incorporates by reference and re-alleges each and every allegation set forth above, as though fully set forth herein.

242. By their actions alleged herein, the Individual Defendants, either directly or through aiding and abetting, abandoned and abdicated their responsibilities and fiduciary duties with regard to prudently managing the assets and business of Ocugen in a manner consistent with the operations of a publicly held corporation.

243. As a direct and proximate result of the Individual Defendants' gross mismanagement and breaches of duty alleged herein, Ocugen has sustained and will continue to sustain significant damages.

244. As a result of the misconduct and breaches of duty alleged herein, the Individual Defendants are liable to the Company.

245. Plaintiff, on behalf of Ocugen, has no adequate remedy at law.

**SIXTH CLAIM**

**Against Individual Defendants for Waste of Corporate Assets**

246. Plaintiff incorporates by reference and re-alleges each and every allegation set forth above, as though fully set forth herein.

247. The Individual Defendants caused the Company to pay the Individual Defendants excessive salaries and fees, to the detriment of the shareholders and the Company.

248. The Individual Defendants caused the Company to pay for the restatement of the materially false and misleading financial statements at great cost to the Company.

249. As a result of the foregoing, and by failing to properly consider the interests of the Company and its public shareholders, the Individual Defendants have caused Ocugen to waste

valuable corporate assets, to incur many millions of dollars of legal liability and/or costs to defend unlawful actions, to engage in internal investigations, to be subject to investigations and civil inquiries, and to lose financing from investors and business from future customers who no longer trust the Company and its products.

250. As a result of the waste of corporate assets, the Individual Defendants are each liable to the Company.

251. Plaintiff, on behalf of Ocugen, has no adequate remedy at law.

### **SEVENTH CLAIM**

#### **Against Defendants Musunuri, Subramanian, Crespo, Vu, and Breininger for Contribution Under Sections 10(b) and 21D of the Exchange Act**

252. Plaintiff incorporates by reference and re-alleges each and every allegation set forth above, as though fully set forth herein.

253. As a result of the conduct and events alleged above, the Company is a defendant in the Securities Class Action brought on behalf of Ocugen shareholders, in which it is a joint tortfeasor in claims brought under Sections 10(b) and Section 20(a) of the Exchange Act.

254. Federal law provides Ocugen with a cause of action against other alleged joint tortfeasors under Section 10(b) of the Exchange Act.

255. The plaintiffs in the Securities Class Action allege that the Forms 10-Q and Forms 10-K during the Relevant Period contained untrue statements of material facts or omitted to state other facts necessary to make the statements made not misleading and omitted to state material facts required to be stated therein.

256. Ocugen is the registrant for the SEC filings. Defendants Musunuri, Subramanian, Crespo, Vu, and Breininger were responsible for the contents and dissemination of the Forms 10-Q and Forms 10-K.

257. As issuer of the shares, Ocugen is strictly liable to the class action plaintiffs and the class for the misstatements and omissions.

258. The plaintiffs in the Securities Class Action allege that none of the defendants named therein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Registration Statement and other subsequent public filings were true and without omissions of any material facts and were not misleading.

259. Defendants Musunuri, Subramnian, Crespo, Vu, and Breininger because of their positions of control and authority as controlling shareholders, officers and/or directors of Ocugen, were able to and did, directly and/or indirectly, exercise control over the business and corporate affairs of Ocugen, including the wrongful acts complained of herein and in the Securities Class Action.

260. Accordingly, Defendants Musunuri, Subramnian, Crespo, Vu, and Breininger are liable under 15 U.S.C. § 78j(b), which creates a private right of action for contribution, and Section 21D of the Exchange Act, 15 U.S.C. § 78u-4(f), which governs the application of a private right of action for contribution arising out of violations of the Exchange Act.

261. As such, Ocugen is entitled to receive all appropriate contribution or indemnification from Defendants Musunuri, Subramnian, Crespo, Vu, and Breininger.

#### **PRAYER FOR RELIEF**

FOR THESE REASONS, Plaintiff demands judgment in the Company's favor against all Individual Defendants as follows:

(a) Declaring that Plaintiff may maintain this action on behalf of Ocugen, and that Plaintiff is an adequate representative of the Company;

(b) Declaring that the Individual Defendants have breached and/or aided and abetted the breach of their fiduciary duties to Ocugen;

(c) Determining and awarding to Ocugen the damages sustained by it as a result of the violations set forth above from each of the Individual Defendants, jointly and severally, together with pre-judgment and post-judgment interest thereon;

(d) Directing Ocugen and the Individual Defendants to take all necessary actions to reform and improve Ocugen's corporate governance and internal procedures to comply with applicable laws and to protect Ocugen and its shareholders from a repeat of the damaging events described herein, including, but not limited to, putting forward for shareholder vote the following resolutions for amendments to the Company's Bylaws or Certificate of Incorporation and the following actions as may be necessary to ensure proper corporate governance policies:

1. a proposal to strengthen the Board's supervision of operations and develop and implement procedures for greater shareholder input into the policies and guidelines of the Board;
2. a provision to permit the shareholders of Ocugen to nominate at least five candidates for election to the board; and
3. a proposal to ensure the establishment of effective oversight of compliance with applicable laws, rules, and regulations.

(e) Awarding Ocugen restitution from the Individual Defendants, and each of them;

(f) Awarding Plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees, costs, and expenses; and

(g) Granting such other and further relief as the Court may deem just and proper.

**JURY DEMAND**

Plaintiff hereby demands a trial by jury.

Dated: May 24, 2024

**THE BROWN LAW FIRM, P.C.**

/s/ John Coyle IV

John Coyle IV

Timothy Brown

767 Third Avenue, Suite 2501

New York, NY 10017

Telephone: (516) 922-5427

Facsimile: (516) 344-6204

Email: [jcoyle@thebrownlawfirm.net](mailto:jcoyle@thebrownlawfirm.net)

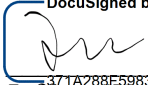
[tbrown@thebrownlawfirm.net](mailto:tbrown@thebrownlawfirm.net)

*Counsel for Plaintiff*

**VERIFICATION**

I, Jeffrey Watts, am a plaintiff in the within action. I have reviewed the allegations made in this Shareholder Derivative Complaint, know the contents thereof, and authorize its filing. To those allegations of which I have personal knowledge, I believe those allegations to be true. As to those allegations of which I do not have personal knowledge, I rely upon my counsel and their investigation and believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this  
23<sup>rd</sup> day of May, 2024.

DocuSigned by:  
  
371A288F598341F...  
Jeffrey Watts